

**PLYMOUTH COUNTY, IOWA
Independent Auditors' Report
Financial Statements
and
Supplemental Information
Schedule of Findings and Questioned Costs
June 30, 2015**

PLYMOUTH COUNTY, IOWA
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PLYMOUTH COUNTY, IOWA

COUNTY OFFICIALS

Name	Title	Term Expires
Jim Henrich	Board of Supervisors	December 31, 2016
John Meis	Board of Supervisors	December 31, 2018
Don Kass	Board of Supervisors	December 31, 2018
Craig Anderson	Board of Supervisors	December 31, 2018
Mark Loutsch	Board of Supervisors	December 31, 2016
Stacey Feldman	County Auditor	December 31, 2016
Shelly Sitzmann	County Treasurer	December 31, 2018
Jolynn Goodchild	County Recorder	December 31, 2018
Mike Van Otterloo	County Sheriff	December 31, 2016
Darin J. Raymond	County Attorney	December 31, 2018
Robert Heyderhoff	County Assessor	December 31, 2015



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INDEPENDENT AUDITORS' REPORT

To the Board of Supervisors
Plymouth County, Iowa

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Plymouth County, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Plymouth County, as of June 30, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 8 to the financial statements, the County adopted new accounting guidance related to Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the County's proportionate share of net pension liability, schedule of County's contributions to IPERS, notes to required supplemental information and the schedule of funding progress for the retiree health plan on pages 6 through 13, and pages 43 through 50, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Plymouth County's basic financial statements. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the nine years ended June 30, 2014 (which are not presented herein) and expressed unqualified / unmodified opinions on those financial statements. The other supplementary information included on pages 51 through 67, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The other supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated January 20, 2016, on our consideration of Plymouth County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Plymouth County's internal control over financial reporting and compliance.


Certified Public Accountants

Le Mars, Iowa
January 20, 2016

PLYMOUTH COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

PLYMOUTH COUNTY PROVIDES THIS MANAGEMENT'S DISCUSSION AND ANALYSIS OF ITS FINANCIAL STATEMENTS. THIS NARRATIVE OVERVIEW AND ANALYSIS OF THE ACCRUAL ACCOUNTING AND FINANCIAL ACTIVITIES IS FOR THE FISCAL YEAR ENDING JUNE 30, 2015. WE ENCOURAGE READERS TO CONSIDER THIS INFORMATION IN CONJUNCTION WITH THE COUNTY'S FINANCIAL STATEMENTS, WHICH FOLLOW.

2015 FINANCIAL HIGHLIGHTS

- The assets of the County exceeded its liabilities at the end of FY15 by \$61,854,216 (net position).
- Plymouth County's FY15 total net position increased by \$2,117,508 from FY14.
- At the end of FY15, Plymouth County governmental funds reported a combined ending fund balance of \$10,282,562, which is 47.8% of the total governmental fund expenditures.
- The unassigned general fund balance was \$2,048,922 in FY14 and \$2,438,560 in FY15 which increased by \$389,638 and is a 19% increase.
- At the end of FY15, the unassigned fund balance for the general fund was \$2,438,560; which is 37.4% of the total general fund expenditures.

USING THIS ANNUAL REPORT

The annual report consists of a series of financial statements as well as other requirements as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the government's financial activities.

The **Government-wide Financial Statements** consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of Plymouth County as a whole and present an overall view of the County's finances.

The **Fund Financial Statements** tell how governmental services were financed in the short-term as well as what remains for future spending. Fund financial statements report Plymouth County's operations in more detail than the government-wide statements by providing information about the most significant funds. The remaining statements provide financial

information about activities for which Plymouth County acts solely as an agent or custodian for the benefit of those outside of the government (Agency Funds).

Notes to the Financial Statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

Required Supplementary Information further explains and supports the financial statements with a comparison of the county's budget for the year, as well as presenting a schedule of funding progress for retiree health plan and detailed information concerning the County's net pension liability and contributions to IPERS.

Supplemental Information provides detailed information about the non-major funds and the individual agency funds. In addition, the Schedule of Expenditures of Federal Awards provides details of various federal programs benefiting the County.

REPORTING THE COUNTY AS A WHOLE

The Statement of Net Position and the Statement of Activities

One of the most important questions asked about the County's finances is "Is the County as a whole better off or worse off as a result of the year's activities?" The statement of net position and the statement of activities report information about activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting and the economic resources measurement focus. This is similar to the accounting used by most private sector companies. All of the current year's revenues and expenditures are taken into account regardless of when cash is received or paid.

The **Statement of Net Position** presents all of the County's assets, deferred outflows, liabilities, and deferred inflows with the difference between the two reported as "net position". Over time, increases or decreases in the County's net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The **Statement of Activities** presents information showing how the County's net position changed during the fiscal year. All changes in net position are reported as soon as the event or change occurs, regardless of the timing of related cash flows. Thus, revenues and expenditures are reported in this statement for some items that will not result in cash flows until future fiscal periods.

The County's governmental activities are displayed in the Statement of Net Position and the Statement of Activities. Governmental activities include public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, government services to residents, administration, interest on long-term debt and capital projects. Property tax and state and federal grants finance most of these activities.

Fund Financial Statements

The fund financial statements provide detailed information about individual funds, not the County as a whole. Some funds are required to be established by Iowa law or by bond covenants. The County can establish other funds to help it control and manage money for particular purposes.

Plymouth County has two types of funds:

- 1) Governmental funds account for most of the County's basic services. These focus on how money flows in and out of those funds. These balances left at year-end are available for spending. The county has 13 governmental funds. These main governmental funds include: 1) the General Fund, 2) the Special Revenue funds such as the Rural Services Fund, Secondary Roads Fund, Local Option Sales Tax Fund, Joint Urban Renewal Fund 3), and the Debt Service Fund. These funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed, short-term view of the County's general governmental operations and the basic services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs.

The required financial statements for governmental funds include a balance sheet and a statement of revenues, expenditures and changes in fund balance.

- 2) Fiduciary funds are used to report assets held in a trust or agency capacity for others and cannot be used to support the government's own programs. These fiduciary funds include agency funds that account for Emergency Management Services, the County Assessor, and the Emergency 911 as a few examples.

The required financial statement for agency funds is a statement of fiduciary net position.

Reconciliations between the government-wide financial statements and the governmental fund financial statements follows the governmental fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of financial position. Plymouth County's total net position for FY15 totaled \$61,854,216. The analysis that follows focuses on the components of net position for the governmental activities.

Net Position of Governmental Activities

	2014 (Not Restated)	2015
Current and other assets	\$22,069,803	\$ 21,943,255
Capital assets	62,820,872	63,130,405
Total Assets	84,890,675	85,073,660
Deferred Outflows of Resources	-	644,017
Long-term debt outstanding	8,477,527	10,869,811
Other liabilities	2,026,478	2,035,693
Total liabilities	10,504,005	12,905,504
Deferred Inflows of Resources	11,534,190	10,957,957
Net position:		
Net Investment in Capital Assets	59,243,063	60,139,872
Restricted	9,202,799	8,903,400
Unrestricted	(5,593,382)	(7,189,567)
Total net position	\$62,852,480	\$ 61,854,216

The largest portion of the County's net position is invested in capital assets (e.g. land, infrastructure, buildings, and equipment), less the related debt. The debt related to capital assets is liquidated with resources other than capital assets. A portion (15%) of the County's net position represents resources that are subject to external restrictions on how they may be used. Unfortunately, there is not a positive balance in unrestricted net position, which is used to meet the County's ongoing obligations to citizens and creditors. There is a negative balance due to recording the net pension liability of \$2,164,725 and the \$7,840,000 general obligation bond issued in 2005, of which \$5,440,000 is outstanding at June 30, 2015. This was not issued for County assets; it was for a grant awarded to Le Mars Business Initiative Corporation to be used for economic development purposes (Wells Corporate Campus).

Governmental Activities – Governmental activities increased the County's net position by \$2,117,508. Key elements of this increase are as follows:

Change in Net Position of Governmental		
Revenues:	2014	2015
	(Not Restated)	
Program revenues:		
Charges for service and sales	\$1,680,089	\$1,686,556
Operating grants and contributions	6,250,725	5,405,477
Capital grants and contributions	1,496,557	1,802,134
General revenues:		
Property tax	10,603,464	10,908,883
Interest & penalty on taxes	62,868	57,942
State tax credits	236,807	603,933
Local Option Sales Tax	1,050,222	1,043,726
General intergovernmental revenues	161,520	-
Unrestricted investment earnings	68,158	66,925
Gain on sale of assets	6,000	-
Miscellaneous	224,712	381,188
Total revenues	21,841,122	21,956,764
Program expenses:		
Public safety and legal services	3,359,698	3,321,349
Physical health and social services	392,801	367,131
Mental health	514,282	1,432,112
County environment and education	1,040,827	956,386
Roads and transportation	8,740,656	9,276,282
Government services to residents	778,598	775,398
Administration	3,689,575	3,514,388
Interest on long-term debt	215,496	196,210
Total expenses	18,731,933	19,839,256
Change in net position	3,109,189	2,117,508
Net position - beginning	59,743,291	62,852,480
Prior period adjustment	-	(3,115,772)
Net position – beginning, restated	59,743,291	59,736,708
Net position - ending	\$62,852,480	\$61,854,216

- Property tax revenue increased by \$305,419 in total due to various factors. Property tax revenue in the general fund and rural services fund increased due to increased taxable valuations of (\$42,260,076) and slightly lowered property tax levies and commercial/industrial rollback backfill funds from the state and commercial property tax credit replacement claims from the state.
- Capital grants and contributions decreased primarily due to a decrease in Farm to Market projects and bridge funds in the Secondary Roads fund.
- Operating grants and contributions decreased primarily due to no mental health state funding due to regionalization of Fund 10.

For the most part, increases in expenses closely paralleled inflation and growth in the demand for services. Roads and transportation decreased due to doing a few less projects.

Individual Major Fund Analysis

As Plymouth County completed FY15, its budgetary governmental funds reported a combined fund balance of \$10,282,562. FY14 combined fund balances were \$10,079,799. This represents a total increase of \$202,763. This significant increase is the result of a large general fund and secondary road fund balance when comparing to FY14.

The General Fund, as the operating fund of Plymouth County, ended FY15 with a balance of \$2,731,700. The General Fund ending fund balance in FY14 was \$2,308,469. This represents an increase of \$423,231 which is due to an increase in revenue and cuts in spending. The General Fund balance is growing and it is a goal for the FY15 budget to continue to increase to an even healthier state.

The Rural Services Fund ended FY15 with a balance of \$1,343,763. The ending fund balance for FY14 was \$1,180,665. This represents an increase of \$163,098. The Rural Services fund balance increased primarily from an increase in property tax collection due to valuation increases. The county is continuing to expense some County Sheriff deputy's expenses from the rural services fund in addition to others in the general basic fund.

The Secondary Road Fund ended FY15 with a balance of \$4,943,041. The ending fund balance for FY14 was \$4,592,468. This represents an increase of \$350,573. The increase is due to timing of projects within the construction program.

The Joint Urban Renewal Fund was closed out and the City of Le Mars took over this TIF district.

The Plymouth County Ethanol Urban Renewal Fund ended FY15 with a balance of \$(1,483,683). The ending fund balance for FY14 was \$(1,445,373). The deficit increased \$38,330. The fund balance deficit will be financed with future TIF revenues.

The Local Option Sales Tax Fund ended FY15 with a balance of \$1,732,265. The ending fund balance for FY14 was \$1,741,575. This represents a decrease of \$9,310. The decrease is attributed to a few more budgeted expenditures in FY 15 compared to the projects in the past years.

BUDGETARY HIGHLIGHTS

Over the course of the year, Plymouth County amended its budget two times. The amendments resulted in the use of reserves by \$800,000. The main purpose of the amendments were for additional capital projects. There were some other smaller off-setting revenues for these expenses as well.

The County's total receipts on a cash basis for FY15 were \$21,556,868. The county budgeted \$22,736,694 as projected receipts, for a difference of only \$1,179,826.

Total cash disbursements in FY15 were \$21,080,035 with the budgeted disbursements projected to be \$25,997,485, which was \$4,917,450 less than the amended budget. This was primarily due to the departments reducing spending and the timing of secondary road projects and that the Jt. Urban Renewal Fund TIF payment to the City of Le Mars was almost \$900,000 less because of the agreement for the County to retain the TIF funds in order to retire all of the County debt first.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of FY15, Plymouth County had approximately \$63.1 million invested in capital assets, net of accumulated depreciation. At the end of FY14, Plymouth County had approximately \$62.8 million invested in capital assets, net of accumulated depreciation.

Capital Assets of Governmental Activities at Year End		
	2014	2015
Land (capital asset not being depreciated)	\$ 2,396,195	\$ 2,446,195
Buildings and improvements	7,266,062	7,073,226
Equipment	3,514,299	3,715,051
Infrastructure	49,550,265	49,434,750
Construction in progress (capital asset not being depreciated)	94,051	461,183
Total Governmental Activities Capital Assets	62,820,872	63,130,405
Less: Total Capital Assets not being depreciated	2,490,246	2,907,378
Total Governmental Activities Capital Assets being depreciated, net	\$60,330,626	\$ 60,223,027

The County had a total accumulated depreciation on June 30, 2015 of \$45,288,717. Additional information on the County's capital assets can be found in Note 4 of the financial statements.

Long Term Debt

At the end of FY15 Plymouth County had total bonded indebtedness of \$8,355,000, including general obligation and GO local option sales tax refunding bonds.

	2014	2015
GO L.O.S.T. Refunding Bonds, Series 2010	\$ 1,515,000	\$ 1,025,000
GO UR Road Improvement Bonds, Series 2013	2,225,000	1,890,000
GO Refunding Bonds, Series 2011	5,950,000	5,440,000
Net Total Outstanding Debt	<u>\$ 9,690,000</u>	<u>\$ 8,355,000</u>

Additional information on the County's long-term debt can be found in Note 5.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Plymouth County's elected and appointed officials and citizens considered many factors when setting the fiscal year 2016 budget, tax rates, and fees that finance the various County services. The tax rate for FY16 in the Rural Basic Fund remains constant, at the 3.95000 maximum levy rate and the General Basic Fund remains constant at maximum levy rate of 3.50000 in order to properly fund operations of this fund for FY16. The General Fund ended FY15 with a \$353,776 net increase in fund balance from FY14 on a cash basis. (Plymouth County budgets on a cash basis, therefore, amounts in this budget section are also presented on a cash basis, while the rest of this report previously has been reported on an accrual basis.) The budget goal for the General Basic Fund is to help stabilize the General Fund Reserves by maintaining a minimum of \$2,000,000 fund balance. Plymouth County received an increase of \$31,533,880 of taxable valuation for FY16 from FY15, which increases the amount of property tax for the General Fund. The tax levy rate in the Debt Service Fund is .06127 in FY16 from .06212 in FY15 for the same \$100,000 in tax revenue, due to the TIF valuation increases countywide.

Plymouth County levy rate in the General Basic Supplemental fund was decreased to 0.14130 in FY16 from 0.14452 for FY15. This levy creates \$200,000 of tax which will be used to purchase the County's liability insurance and assist in funding the EMA program.

These factors were taken into account when adopting the budget for fiscal year 2016. The amounts available for appropriation in the General Fund are approximately \$6,815,540 and the General Basic Supplemental Fund is \$201,525. The amounts available for appropriation in the Special Revenue Funds are approximately \$13,823,808. The amounts available for appropriation in the Debt Service Fund are \$1,737,750 which now includes a bond payment in the Plymouth County Ethanol Urban Renewal Fund.

If these estimates are realized, Plymouth County's General Fund FY16 balance is expected to increase higher than the year-end balance than FY15. The Rural Fund balance is expected to

maintain the about same or increase very slightly in FY16 from FY15, due to increased revenues.

CONTACTING THE COUNTY'S FINANCIAL MANAGER

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of Plymouth County finances, and to show the County's accountability for the money it receives. This Management Discussion and Analysis was prepared by Auditor, Stacey Feldman. If you have any questions about this report or need additional information, contact:

Plymouth County Auditor's Office

Stacey Feldman – Plymouth County Auditor

**215 4th Ave. SW
Le Mars, Iowa, 51031
Phone: (712) 546-6100
Fax: (712) 546-5784**

PLYMOUTH COUNTY BOARD OF SUPERVISORS FOR FY 14-15:

Don Kass Jim Henrich Mark Loutsch Jack E. Guenthner Craig Anderson

COUNTY OF PLYMOUTH, IOWA
STATEMENT OF NET POSITION
JUNE 30, 2015

	Governmental Activities
ASSETS	
Cash and Pooled Investments	\$ 7,119,537
Receivables:	
Property Tax	23,619
Future Property Tax	9,618,984
Accrued Interest	16,294
Accounts	102,697
Due from Other Funds	1,483,683.00
Due from Other Governmental Agencies	1,729,990
Inventories	1,201,470
Prepaid Assets	106,981
Restricted Assets:	
Cash and Pooled Investments	540,000
Land and Land Improvements	2,446,195
Construction in Progress	461,183
Infrastructure, Property and Equipment, Net of Accumulated Depreciation	60,223,027
Total Assets	<u>85,073,660</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension Related Deferred Outflows	644,017
Total Deferred Outflows of Resources	<u>644,017</u>
LIABILITIES	
Accounts Payable	99,949
Due to Other Funds	1,483,683
Due to Other Governmental Agencies	331,569
Accrued Interest Payable	16,827
Salaries and Benefits Payable	103,665
Long Term Liabilities:	
Due Within One Year:	
Notes Payable	
GO Urban Renewal Bonds	415,000
GO Refunding Bonds	520,000
GO L.O.S.T. Refunding Bonds	505,000
Compensated Absences	251,519
Due in More Than One Year:	
GO Urban Renewal Bonds	1,529,621
GO Refunding Bonds	4,920,000
GO L.O.S.T. Refunding Bonds	540,912
Net Pension Liability	2,164,725
Net OPEB Liability	23,034
Total Liabilities	<u>12,905,504</u>
DEFERRED INFLOWS OF RESOURCES	
Pension Related Deferred Inflows	1,338,973
Unavailable Revenue - Future Property Tax	9,618,984
Total Deferred Inflows of Resources	<u>10,957,957</u>
NET POSITION	
Net Investment in Capital Assets	60,139,872
Restricted for:	
Supplemental Levy Purposes	26,540
Rural Services Purposes	1,332,344
Debt Service Purposes	581,821
Mental Health Purposes	64,195
Secondary Roads Purposes	4,813,841
Local Option Sales Tax Purposes	1,732,265
Revolving Loan	167,910
Other Purposes	184,484
Unrestricted	(7,189,056)
Total Net Position	<u>\$ 61,854,216</u>

See Accompanying Notes to Financial Statements

COUNTY OF PLYMOUTH, IOWA
STATEMENT OF ACTIVITIES
Year Ended June 30, 2015

		Program Revenues
Functions/Programs	Expenses	Charges for Services
Primary Government:		
Governmental Activities:		
Public safety and legal services	\$ 3,321,349	\$ 709,220
Physical health and social services	367,131	2,153
Mental health	1,432,112	196,405
County environment and education	956,386	144,091
Roads and transportation	9,276,282	131,333
Government services to residents	775,398	488,161
Administration	3,514,388	15,193
Debt Service	196,210	-
Total governmental activities	\$ 19,839,256	\$ 1,686,556

See Accompanying Notes to Financial Statements

Program Revenues		Net (Expense) Revenue and Change in Net Position
Operating Grants Contributions	Capital Grants Contributions	Governmental Activities
\$ 45,388	\$ -	\$ (2,566,741)
110,827	-	(254,151)
-	-	(1,235,707)
33,662	-	(778,633)
5,205,600	1,802,134	(2,137,215)
10,000	-	(277,237)
-	-	(3,499,195)
-	-	(196,210)
<u>\$ 5,405,477</u>	<u>\$ 1,802,134</u>	<u>\$ (10,945,089)</u>

General Revenues:

Property and other county tax levied for:	
General Purposes	10,813,059
Debt Service	95,824
Interest and penalties on taxes	57,942
State tax credits	603,933
Local option sales tax	1,043,726
Interest	66,925
Miscellaneous	381,188
Total general revenues	<u>13,062,597</u>
Change in net position	2,117,508
Net position - beginning	62,852,480
Prior Period Adjustment	<u>(3,115,772)</u>
Net position - beginning, restated	<u>59,736,708</u>
Net position - ending	<u>\$ 61,854,216</u>

See Accompanying Notes to Financial Statements

COUNTY OF PLYMOUTH, IOWA
BALANCE SHEET
Governmental Funds
JUNE 30, 2015

	General	Rural Services	Secondary Roads
Assets			
Cash and Pooled Investments	\$ 1,079,145	\$ 1,368,611	\$ 2,366,152
Receivables:			
Property Tax	21,860	1,492	-
Future Property Tax	5,155,997	3,522,075	-
Accrued Interest	16,270	-	-
Accounts	26,955	-	75,000
Due from Other Funds	1,483,683	-	-
Due from Other Governmental Agencies	114,705	15,925	1,392,380
Prepaid Assets	106,981	-	-
Inventories	-	-	1,201,470
Restricted Assets:			
Cash and Pooled Investments	-	-	-
Total Assets	8,005,596	4,908,103	5,035,002
Liabilities			
Accounts Payable	68,248	3,556	8,322
Due to Other Funds	-	-	-
Due to Other Governmental Agencies	11,228	34,500	-
Salaries and Benefits Payable	17,309	2,717	83,639
Total Liabilities	96,785	40,773	91,961
Deferred Inflows of Resources			
Unavailable Revenue - Delinquent Property Tax	21,114	1,492	-
Unavailable Revenue - Subsequent Year Property Tax	5,155,997	3,522,075	-
Total Deferred Inflows of Resources	5,177,111	3,523,567	-
Fund Balances (Deficits)			
Nonspendable for:			
Inventories	-	-	1,201,470
Prepaid Assets	106,981	-	-
Restricted for:			
Supplemental Levy Purposes	26,437	-	-
Mental Health Purposes	-	-	-
Rural Services Purposes	-	1,343,763	-
Secondary Road Purposes	-	-	3,741,571
Debt Service	-	-	-
Local Option Sales Tax Purposes	-	-	-
Revolving Loan	-	-	-
Other Purposes	-	-	-
Assigned for:			
Technology Purposes	159,722	-	-
Unassigned	2,438,560	-	-
Total Fund Balances (Deficits)	2,731,700	1,343,763	4,943,041
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 8,005,596	\$ 4,908,103	\$ 5,035,002

See Accompanying Notes to Financial Statements

Joint Urban Renewal	Plymouth County Ethanol Urban Renewal	Local Option Sales Tax	Other Governmental Funds	Total Governmental Funds
- \$	- \$	1,563,564	\$ 742,065	\$ 7,119,537
-	-	-	267	23,619
-	476,641	-	464,271	9,618,984
-	-	-	24	16,294
-	-	-	742	102,697
-	-	-	-	1,483,683
-	-	171,358	35,622	1,729,990
-	-	-	-	106,981
-	-	-	-	1,201,470
-	-	-	540,000	540,000
-	476,641	1,734,922	1,782,991	21,943,255
-	-	2,657	17,166	99,949
-	1,483,683	-	-	1,483,683
-	-	-	285,841	331,569
-	-	-	-	103,665
-	1,483,683	2,657	303,007	2,018,866
-	-	-	237	22,843
-	476,641	-	464,271	9,618,984
-	476,641	-	464,508	9,641,827
-	-	-	-	1,201,470
-	-	-	-	106,981
-	-	-	-	26,437
-	-	-	64,116	64,116
-	-	-	-	1,343,763
-	-	-	-	3,741,571
-	-	-	598,599	598,599
-	-	1,732,265	-	1,732,265
-	-	-	167,910	167,910
-	-	-	184,851	184,851
-	-	-	-	159,722
-	(1,483,683)	-	-	954,877
-	(1,483,683)	1,732,265	1,015,476	10,282,562
\$ -	\$ 476,641	\$ 1,734,922	\$ 1,782,991	\$ 21,943,255

See Accompanying Notes to Financial Statements

PLYMOUTH COUNTY, IOWA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2015

Amounts reported for governmental activities in the statement of net position are different because:

Total Fund Balance - Governmental Funds (page 18)	\$ 10,282,562
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Infrastructure, property, and equipment used in governmental activities are not financial resources and, therefore, are not reported in the funds.	63,130,405
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Deferred revenues from the balance sheet that provide current financial resources for governmental activities	22,843
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Accrued expenses from the balance sheet that require current financial resources for governmental activities.	(16,827)
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Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental fund, as follows:

Deferred outflows of resources	\$ 644,017	
Deferred inflows of resources	<u>(1,338,973)</u>	(694,956)

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

GO Urban Renewal Bonds	(1,890,000)	
GO Refunding Bonds	(5,440,000)	
L.O.S.T. Refunding Bonds	(1,025,000)	
Compensated Absences	(251,519)	
Net Pension Liability	(2,164,725)	
Premium on GO Urban Renewal Bonds	(54,621)	
Premium on GO LOST Refunding Bonds	(20,912)	
Other postemployment benefits	<u>(23,034)</u>	<u>(10,869,811)</u>

Total Net Position - Governmental Activities (page 14)	<u>\$ 61,854,216</u>
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COUNTY OF PLYMOUTH, IOWA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Governmental Funds
Year Ended June 30, 2015

	General	Rural Services	Secondary Roads
Revenue:			
Property and other county taxes	\$ 4,810,732	\$ 3,274,161	\$ -
Interest and penalties on taxes	57,942	-	-
Intergovernmental	689,670	184,167	7,001,697
Licenses and permits	-	18,672	9,590
Charges for services	982,831	6,900	-
Use of money and property	135,115	-	31,705
Miscellaneous	174,676	-	100,379
Total Revenue	6,850,966	3,483,900	7,143,371
Expenditures:			
Current operating:			
Public safety and legal services	3,054,965	383,487	-
Physical health and social services	334,214	19,342	-
Mental health	-	-	-
County environment and education	512,111	385,770	-
Roads and transportation	-	-	6,885,633
Government services to residents	776,960	-	-
Administration	1,834,596	32,203	-
Capital projects	-	-	2,576,406
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	6,512,846	820,802	9,462,039
Excess (deficiency) of revenues over expenditures	338,120	2,663,098	(2,318,668)
Other financing sources (uses):			
Transfers in	-	-	3,050,000
Transfers (out)	-	(2,500,000)	-
Issuance of Debt	100,000	-	-
Total other financing sources (uses)	100,000	(2,500,000)	3,050,000
Net Change in Fund Balances	438,120	163,098	731,332
Fund balances (deficits) - beginning of year	2,308,469	1,180,665	4,592,468
(Decrease) in Reserve for:			
Prepaid Assets	(14,889)	-	-
Inventory	-	-	(380,759)
Fund balances (deficits) - end of year	\$ 2,731,700	\$ 1,343,763	\$ 4,943,041

See Accompanying Notes to Financial Statements

Joint Urban Renewal	Plymouth County Ethanol Urban Renewal	Local Option Sales Tax	Other Governmental Funds	Total Governmental Funds
\$ 1,962,734	\$ 473,229	\$ 1,043,726	\$ 442,626	\$ 12,007,208
-	-	-	-	57,942
33,054	23,904	-	427,956	8,360,448
-	-	-	-	28,262
-	-	-	4,578	994,309
3,525	-	-	360	170,705
-	-	-	77,676	352,731
1,999,313	497,133	1,043,726	953,196	21,971,605
-	-	-	35,323	3,473,775
-	-	-	9,900	363,456
-	-	-	1,423,562	1,423,562
-	-	-	12,148	910,029
-	-	-	-	6,885,633
-	-	-	-	776,960
1,041,639	155,463	191,467	150,000	3,405,368
-	-	-	-	2,576,406
-	-	-	1,435,000	1,435,000
-	-	-	223,005	223,005
1,041,639	155,463	191,467	3,288,938	21,473,194
957,674	341,670	852,259	(2,335,742)	498,411
-	-	-	1,344,612	4,394,612
(653,043)	(380,000)	(861,569)	-	(4,394,612)
-	-	-	-	100,000
(653,043)	(380,000)	(861,569)	1,344,612	100,000
304,631	(38,330)	(9,310)	(991,130)	598,411
(304,631)	(1,445,353)	1,741,575	2,006,606	10,079,799
-	-	-	-	(14,889)
-	-	-	-	(380,759)
\$ -	\$ (1,483,683)	\$ 1,732,265	\$ 1,015,476	\$ 10,282,562

See Accompanying Notes to Financial Statements

COUNTY OF PLYMOUTH, IOWA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2015

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds (page 21)	\$ 598,411
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Governmental funds report capital outlays, including infrastructure, as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current year as follows:

Expenditures for capital assets	\$ 3,340,861	
Depreciation Expense	<u>(3,081,328)</u>	259,533

Revenues reported in the funds that are available to provide current financial resources	(14,841)
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Accrued interest expense that does not require current financial resources	2,229
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Inventories and insurance in the governmental funds have been recorded as expenditures when paid. However, the statement of activities will report these items as expenditures in the period that the corresponding asset is exhausted.	(395,648)
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The effect of bond premium when new debt is issued, whereas, these amounts are deferred and amortized in the Statement of Activities.	24,566
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Compensated absences that require current financial resources.	2,773
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Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term liabilities is an expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Current year repayments exceeded issuances, as follows:

Issuances	(100,000)	
Repayments	<u>1,435,000</u>	1,335,000

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, as follows:

Pension Expense	306,091	
Other postemployment benefits	<u>(606)</u>	305,485

Change in net position of governmental activities (page 16)	<u>\$ 2,117,508</u>
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COUNTY OF PLYMOUTH, IOWA
STATEMENT OF FIDUCIARY NET POSITION
Fiduciary Funds - Agency Funds
JUNE 30, 2015

ASSETS

Cash and Pooled Investments	\$	2,588,376
Receivables:		
Property Tax		19,961
Future Property Tax		32,857,882
Assessments		19,470
Accounts		17,574
Accrued Interest		71
Due from Other Governments		51,307
Total Assets		<u>35,554,641</u>

LIABILITIES

Accounts Payable		13,223
Due to Other Governments		35,537,438
Compensated Absences		3,980
Total Liabilities	\$	<u>35,554,641</u>

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2015

Note 1 - Summary of Significant Accounting Policies

The County of Plymouth, Iowa (the County) is a political subdivision of the State of Iowa and operates under the Home Rule provisions of the Constitution of Iowa. The County operates under the Board of Supervisors form of government. Elections are on a partisan basis. Other elected officials operate independently with the Board of Supervisors. These officials are the Auditor, Recorder, Treasurer, Sheriff, and Attorney. The County provides numerous services to citizens, including law enforcement, health and social services, parks and cultural activities, planning and zoning, roadway construction and maintenance and general administrative services.

The County's Financial Statements are prepared in accordance with the U.S. generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board. The more significant accounting policies established by GAAP and used by the County are discussed below.

A. Reporting Entity

For financial reporting purposes, the County has included all funds, organizations, agencies, boards, commissions and authorities. The County has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the County to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the County. Plymouth County has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly Governed Organizations - The County participates in several jointly governed organizations that provide goods or services to the citizenry of the County but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The County Board of Supervisors are members of or appoint representatives to the following boards and commissions: Plymouth County Assessor's Conference Board, Plymouth County and Municipal Joint Disaster Services Commission, and County Joint E911 Service Board. Financial transactions of these organizations are included in the County's financial statements only to the extent of the County's fiduciary relationship with the organization and, as such, are reported as Agency Funds of the County.

B. Basic Financial Statements – Government-Wide Statements

The County's basic financial statements include both government-wide (reporting the County as a whole) and fund financial statements (reporting the County's major funds). Both the government-wide and fund financial statements categorize primary activities as governmental. The County has no business-type activities. The County's Public Safety and Legal Services, Physical Health and Social Services, Mental Health, County Environment and Education, Roads and Transportation, Government Services to Residents, and Administration are classified as governmental activities.

The Statement of Net Position and the Statement of Activities report information on all of the nonfiduciary activities of the County. In the government-wide Statement of Net Position, the governmental activities column (a) is presented on a consolidated basis by column, (b) and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The County's net position is reported in three parts – net investment in

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2015

Note 1 - Summary of Significant Accounting (Continued)

capital assets, restricted net position; and unrestricted net position. The County first uses restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the County's functions (administration, law enforcement, courts, roads, etc.). The functions are also supported by general government revenues (property taxes, fines, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating grants, and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are interfund services provided; eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

This government-wide focus is more on the sustainability of the County as an entity and the change in the County's net position resulting from the current year's activities.

C. Basis of Presentation - Fund Accounting

The financial transactions of the County are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The emphasis in fund financial statements is on the major funds. Nonmajor funds are summarized into a single column. GASB No. 34 sets forth minimum criteria for the determination of major funds. The County electively added funds, as major funds, which had a specific community focus. The nonmajor funds are combined in a column in the fund financial statements.

Governmental Fund Types – The focus of the governmental funds' measurement (in the fund statements) is upon the determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The County reports the following major governmental funds.

- 1) General Fund – The General Fund is the general operating fund of the County. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenses, the fixed charges and the capital improvement costs that are not paid from other funds.

- 2) Special Revenue Funds

The Rural Services Fund is used to account for property tax and other revenues to provide services which are primarily intended to benefit those persons residing in the County outside of incorporated city areas.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2015

Note 1 - Summary of Significant Accounting (Continued)

The Secondary Roads Fund is used to account for the road use tax allocation from the State of Iowa, required transfers from the General and the Special Revenue, Rural Services Funds and other revenues to be used for secondary road construction and maintenance.

The Plymouth County Ethanol Urban Renewal Fund is used to account for tax increment financing income that is generated from the County TIF districts.

The Joint Urban Renewal Fund is used to account for the TIF dollars that will be generated by a new TIF district established in Plymouth County.

The Local Option Sales Tax Fund is used to account for the revenues from the tax authorized by referendum and used for county infrastructure and county improvements.

Fiduciary Fund Types - Fiduciary funds are used to report assets held in an agency or custodial capacity for others and therefore not available to support County programs. Since agency funds are custodial in nature, they do not involve the measurement of results of operations and are not incorporated into the government-wide statements.

The agency funds of the County account for the property taxes levied by political subdivisions within the county, collections of those amounts by the county, and the remittance of the collected amounts to the subdivisions.

D. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual accounting is used for all activities in the government-wide financial statements and for the fiduciary activities in the fund financial statements. Revenues are recognized when earned and expenses are recognized when incurred.

Modified accrual is used by all governmental funds in the fund financial statements. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers property taxes as available if they are collected within 60 days after year-end. A 60-day availability period is used for revenue recognition for all other governmental fund revenues with the exception of expenditure-driven grants. A one-year availability period is used for expenditure-driven grants.

Expenditures are recorded when the related fund liability is incurred. However, principal and interest on long-term debt, claims and judgments and compensated absences are recorded as expenditures only when the payment is due.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2015

Note 1 - Summary of Significant Accounting (Continued)

Property tax, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest are considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the County.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments and compensated absences are recorded as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants and then by general revenues.

When an expenditure is incurred in governmental funds which can be paid either using restricted or unrestricted resources, it is the County's policy to pay the expenditure from restricted fund balance and then from less-restrictive classifications – committed, assigned, and then unassigned fund balances. Management's policy is to first spend restricted net position first then to spend from unrestricted net position.

- E. Budgets – The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2015, disbursements did not exceed the amounts budgeted in any function.
- F. Cash and Pooled Investments – The cash balances of most County funds are pooled and invested. The County has defined cash and cash equivalents to include cash on hand and demand deposits. In addition, each fund's equity in the county's investment pool is treated as a cash equivalent because the funds can deposit or effectively withdraw cash at any time without prior notice or penalty. Interest earned on investments is recorded in the General Fund, unless otherwise provided by law. The County uses the following method in determining the reported amounts:

<u>Type</u>	<u>Method</u>
Certificates of Deposit	Cost
Iowa Public Agency Investment Trust	Fair value determined by current share price

- G. Property Tax Receivable - The County's property tax rates were extended against the assessed valuation of the County as of January 1, 2013 to compute the amounts for the accrual period July 1, 2014 to June 30, 2015. These taxes were due and payable in two installments on September 30, 2014 and March 31, 2015 at the County Treasurer's Office. Property tax receivable represents taxes that are due and payable but have not been collected.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2015

Note 1 - Summary of Significant Accounting (Continued)

- H. Future Property Taxes Receivable – This represents taxes certified by the Board of Supervisors to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the Board of Supervisors is required to certify its budget in March of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year.

Although the succeeding year property tax receivable has been recorded, the related revenue is reported as a deferred inflow of resources in both government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied. For agency funds, as no revenues are recorded, the amounts are reflected as being due to other governments.

- I. Assessments Receivable – Assessments receivable represent the amounts due from individuals for work done which benefits their property. These assessments are payable by individuals in not less than ten or more than twenty annual installments. Each annual installment with interest on the unpaid balance is due on September 30 and is subject to the same interest and penalties as other taxes. Assessments receivable represents assessments, which are due and payable in the next year but have not been collected and are recorded in a fiduciary fund of the County.
- J. Due to/from Other Funds – During the course of operations numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” on the balance sheet.
- K. Due to/from Other Governments - Due to/from other governments represents state tax credits due from the State of Iowa, various shared revenues, grants, and reimbursements receivable and taxes and other revenues collected by the County which will be remitted to other governments.
- L. Inventories - Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when purchased rather than when consumed. Reported inventories in the fund financial statements are equally offset by a nonspendable fund balance which indicates that they are not available to liquidate current obligations.
- M. Capital Assets – Capital assets, which include property, equipment and vehicles, and infrastructure assets (e.g., roads, bridges, curbs, gutters, sidewalks, and similar items which are immovable and of value only to the government), are reported in the governmental activities column in the government-wide statement of net position. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Reportable capital assets are defined by the County as assets with initial, individual costs in excess of \$5,000 for equipment, \$25,000 for land and buildings, and \$65,000 for infrastructure.

Property and equipment of the County is depreciated using the straight line method over the following estimated useful lives:

Buildings and Structures	10 - 75 Years
Infrastructure	10 - 65 Years
Machinery and Equipment	5 - 20 Years

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2015

Note 1 - Summary of Significant Accounting (Continued)

- N. Deferred Outflow/Inflows of Resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The County currently has pension related deferred outflows.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statements element, *deferred inflow of resources*, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental activities in the government-wide statements report unavailable revenues from subsequent year property taxes and pension related deferred inflows. The governmental funds report unavailable revenues from subsequent year property taxes and delinquent property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

- O. Landfill – The County participates in a 28E agreement with Plymouth County Solid Waste Agency and therefore, is not required to account for landfill post closure costs.
- P. Compensated Absences – County employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide and fiduciary fund financial statements and includes the related employee benefits. A liability for these amounts is reported in the governmental fund financial statements only for employees that have resigned or retired. The compensated absence liability has been computed based on rates of pay in effect at June 30, 2015. The compensated absence liability attributable to the governmental activities will be paid primarily by General and Secondary Roads Funds.
- Q. Long-Term Liabilities – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column in the Statement of Net Position.

In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Premiums and discounts on new debt issued are reported as an other financing source or use.

- R. Fund Equity – In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable – Amounts which cannot be spent because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted - Amounts restricted to specific purposes when constraints placed on the use of the resource are either externally imposed by creditors, grantors or state or federal laws or are imposed by law through constitutional provisions or enabling legislation.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2015

Note 1 - Summary of Significant Accounting (Continued)

Committed – Amounts which can be used for specific purposes pursuant to constraints formally imposed by the Board of Supervisors through ordinance or resolution approved prior to year end. Committed amounts cannot be used for any other purpose unless the Board of Supervisors removes or changes the specified use by taking the same action it employed to commit those amounts.

Assigned – Amounts the Board of Supervisors intend to use for specific purposes.

Unassigned – All amounts not included in other classifications.

Note 2 - Deposits and Pooled Investments

The County's deposits at June 30, 2015 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The County is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Supervisors; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; and certain joint investment trusts; and warrants or improvement certificates of a drainage district.

The County has non-negotiable certificates of deposits as of June 30, 2015 with various maturities extending no later than February, 2018.

At June 30, 2015 the County had the following investments meeting the disclosure requirement of Governmental Accounting Standards Board Statement No. 3, as amended by Statement No. 40.

	<u>Credit Risk</u>	<u>Fair Value</u>	<u>Maturity</u>
IPAIT	AAA	\$ 121,295	N/A

The County had investments in the Iowa Public Agency Investment Trust (IPAIT) which are valued at fair value. IPAIT was created pursuant to Iowa Code Chapter 28E and is registered with the Securities and Exchange Commission (SEC) in accordance with 17 C.F.R. Section 270.2a-7.

Custodial Credit Risk: The County has no policy in place regarding custodial credit risk and deposits with financial institutions, however, deposits are insured by the state sinking fund, which provides for additional assessments against depositories to avoid loss of public funds.

Interest rate risk: The County's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) to instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days, but the maturities shall be consistent with the needs and use of the County.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2015

Note 3 - Interfund Receivables and Payables

The detail of interfund receivables and payables at June 30, 2015 is as follows:

<u>Fund Due To</u>	<u>Fund Due From</u>	<u>Amount</u>
General Fund	Plymouth County Ethanol Urban Renewal	\$ 1,483,683 *

* The purpose of these interfund balances is to finance short-term cash flow shortages.

Note 4 - Capital Assets

A summary of changes in capital assets is as follows:

	Balance July 1, 2014 (Restated)	Additions	Deletions	Balance June 30, 2015
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 2,355,185	\$ -	\$ -	\$ 2,355,185
Land Improvements	91,010	-	-	91,010
Construction in Progress	94,051	1,928,191	1,561,059	461,183
Total capital assets not being depreciated	2,490,246	1,978,191	1,561,059	2,907,378
Capital assets being depreciated:				
Buildings	9,655,242	-	-	9,655,242
Equipment	8,765,790	743,179	494,848	9,014,121
Infrastructure	84,575,982	2,266,399	-	86,842,381
Total capital assets being depreciated	102,997,014	3,009,578	494,848	105,511,744
Less accumulated depreciation for:				
Buildings	2,389,180	192,836	-	2,582,016
Equipment	5,251,491	506,578	458,999	5,299,070
Infrastructure	35,025,717	2,381,914	-	37,407,631
Total accumulated depreciation	42,666,388	3,081,328	458,999	45,288,717
Total capital assets being depreciated, net	60,330,626	(71,750)	35,849	60,223,027
Governmental activities capital assets, net	\$ 62,820,872	\$ 1,906,441	\$ 1,596,908	\$ 63,130,405

Construction in Progress is related to various infrastructure projects.

Depreciation expense was charged to the functions as follows:

Public safety and legal services	\$ 72,336
Physical health and social services	3,434
Mental health	9,325
County environment and education	44,176
Roads and transportation	2,758,305
Government services to residents	810
Administration	192,942
	<u>\$ 3,081,328</u>

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2015

Note 4 - Capital Assets (Continued)

Reconciliation of Net Investment in Capital Assets:

	Governmental Activities
Land	\$ 2,446,195
Construction in Progress	461,183
Capital Assets (net of accumulated depreciation)	60,223,027
Less: GO Urban Renewal Bonds	(1,890,000)
Less: GO L.O.S.T. Refunding Bonds	(1,025,000)
Less: Premium on GO Urban Renewal Bonds	(20,912)
Less: Premium on GO L.O.S.T. Refunding Bonds	(54,621)
Net Investment in Capital Assets	<u>\$ 60,139,872</u>

Note 5 - Long-Term Liabilities

The County's computed legal debt limit as of June 30, 2015, is \$143,804,514 of which \$8,355,000 is committed for outstanding general obligation bonds.

The following is a summary of changes in long-term liability for the year ended June 30, 2015:

	GO L.O.S.T. Refunding Bonds	GO Refunding Bonds	GO Urban Renewal Road Improvement Bonds	General County Purpose Bond	Compensated Absences	Other Post- Employment Benefits	Net Pension Obligation	Total
Balance Beginning of Year	\$ 1,515,000	\$ 5,950,000	\$ 2,225,000	\$ -	\$ 254,292	\$ 22,428	\$ 3,637,934	\$13,604,654
Increases	-	-	-	100,000	251,519	606	-	352,125
Decreases	490,000	510,000	335,000	100,000	254,292	-	1,473,209	3,162,501
Balance End of Year	<u>\$ 1,025,000</u>	<u>\$ 5,440,000</u>	<u>\$ 1,890,000</u>	<u>\$ -</u>	<u>\$ 251,519</u>	<u>\$ 23,034</u>	<u>\$ 2,164,725</u>	<u>\$10,794,278</u>
Due Within One Year	<u>\$ 505,000</u>	<u>\$ 520,000</u>	<u>\$ 415,000</u>	<u>\$ -</u>	<u>\$ 251,519</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,691,519</u>

Bonds Payable

A summary of the County's June 30, 2015 general obligation and local option sales tax bond indebtedness is as follows:

	Date Of Issue	Interest Rates	Annual Payments	Amount Originally Issued	Outstanding June 30, 2015
<i>GO Local Option Sales Tax Refunding:</i>					
Series 2010	2010	2.45 - 3.0%	\$480,000 - \$520,000	\$3,355,000	\$ 1,025,000
<i>General Obligation Refunding Bonds:</i>					
Series 2011	2011	.8 - 3.45%	\$385,000 - \$620,000	\$6,455,000	5,440,000
<i>GO Urban Renewal Road Improvements Bonds</i>					
Series 2013	2013	2.00%	\$335,000 - \$560,000	\$2,225,000	1,890,000
					<u>\$ 8,355,000</u>

In June 2010, the County issued \$3,355,000 of General Obligation Local Option Sales Tax Refunding Bonds in an advance refunding of the 2002 L.O.S.T. Revenue Bonds. The 2010 bonds have an average interest rate of 2.82%. The net proceeds from this issuance were used to purchase U.S. government securities and were deposited in an escrow account with Bankers Trust Company. The balance in the escrow was used to refund the remaining \$2,305,000 on December 1, 2012 when the notes became callable. As a result, the County will reduce its debt service payments over the next fifteen years by \$8,282 and obtain an economic gain of \$6,769.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2015

Note 5 - Long-Term Liabilities (Continued)

On August 23, 2011 the County issued \$6,455,000 of General Obligation Refunding Bonds, Series 2011 in a crossover advance refunding of the Series 2005 GO Urban Renewal Bonds. The 2012 bonds have an average interest rate of 2.6% and the 2005 bonds being refunded have an average rate of 4.2%. The net proceeds from the issuance were used to purchase U.S. government securities and were deposited in an escrow account with Bankers Trust Company. The balance in the escrow was used to refund the remaining \$6,100,000 of the 2005 bonds on June 1, 2013 when these notes became callable. As a result of this refunding, the County will reduce its debt service payments over the next twelve years by \$312,137, and obtain an economic gain of \$231,098.

In July 2013, the County authorized the issuance of \$2,225,000 of General Obligation Urban Renewal Bonds for the purpose of funding the County's road improvement projects in the urban renewal areas. The 2013 bonds have an interest rate of 2.0% and mature on June 1, 2019.

The County also issued a \$100,000 general county purpose bond during FY2015 which was repaid by the debt service fund during FY2015. The proceeds were used to finance capital acquisitions of the County.

The Governmental General Obligation bonds are shown net of unamortized bond premiums on the GO Urban Renewal Bonds and GO LOST Refunding Bonds of \$54,621 and \$20,912, respectively.

The annual requirements to amortize all bonds outstanding as of June 30, 2015, are as follows:

Fiscal Year	GO L.O.S.T. Refunding Bonds Principal	Go Refunding Principal	GO Urban Renewal Road Improvement Bonds Principal	Interest	Total
2016	\$ 505,000	\$ 520,000	\$ 415,000	\$ 137,188	\$ 1,577,188
2017	520,000	525,000	495,000	166,688	1,706,688
2018	-	535,000	560,000	140,845	1,235,845
2019	-	540,000	420,000	118,945	1,078,945
2020	-	555,000	-	98,125	653,125
2021-2025	-	2,765,000	-	252,060	3,017,060
	<u>\$ 1,025,000</u>	<u>\$ 5,440,000</u>	<u>\$ 1,890,000</u>	<u>\$ 913,850</u>	<u>\$ 9,268,850</u>

\$598,599 is available to service the General Obligation Refunding Bonds. The general obligation bonds are to be retired through property tax levies. The Local Sales Tax Refunding Bonds are to be retired through local option sales tax revenue and contributions from surrounding communities pursuant to a 28E agreement.

There are a number of limitations and restrictions contained in the various bond indentures creating certain reserve and sinking funds to insure repayment of the revenue bonds. A summary of the fund requirements is as follows:

Special Revenue	Type of Account	Required Balance June 30, 2015	Actual Balance June 30, 2015
Jail Bond Sinking Fund	Sinking Fund	\$ 525,746	\$ 540,000*

*Amounts are classified as restricted assets on the combined balance sheet.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2015

Note 6 - Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2015 is as follows:

	Rural Services	Local Option Sales Tax	Joint Urban Renewal	Plymouth County Ethanol Urban Renewal	Total Transfer In:
Secondary Roads	\$2,500,000	\$ 550,000	\$ -	\$ -	\$ 3,050,000
Debt Service	-	311,569	653,043	380,000	1,344,612
Transfer Out:	\$2,500,000	\$ 861,569	\$ 653,043	\$ 380,000	\$ 4,394,612

Transfers are used to:

1. Move resources from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources.
2. Move receipts restricted to debt service from the fund collecting the receipts to the debt service fund as debt service payments become due.

Note 7 - Risk Management

The County is a member in the Iowa Communities Assurance Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 727 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials liability, police professional liability, property and inland marine and boiler/machinery. There have been no reductions in insurance coverage from prior years.

Each members' annual casualty contributions to the Pool fund current operations and provide capital. Annual casualty operating contributions are those amounts necessary to fund, on a cash basis, the Pool's general and administrative expenses, claims, claims expenses and reinsurance expenses due and payable in the current year, plus all or any portion of any deficiency in capital. Capital contributions are made during the first six years of membership and are maintained at a level determined by the Board not to exceed 300 percent of basis rate.

The Pool also provides property coverage. Members who elect such coverage make annual property operating contributions which are necessary to fund, on a cash basis, the Pool's general and administrative expenses and reinsurance premiums, all of which are due and payable in the current year, plus all or any portion of any deficiency in capital. Any year-end operating surplus is transferred to capital. Deficiencies in operations are offset by transfers from capital and, if insufficient, by the subsequent year's member contributions.

The County's property and casualty contributions to the risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The County's annual contributions to the Pool for the year ended June 30, 2015 were \$246,932.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional, and public officials' liability, excess risk sharing agreements up to the amount of risk sharing protection provided by the County's risk sharing certificate risks up to \$350,000 per claim. Claims exceeding \$350,000 are reinsured through reinsurance and excess risk sharing agreements up to the amount of risk sharing protection provided by the County's risk sharing certificate. Property and automobile physical damage risks are retained by the Pool up to \$250,000 excess risk sharing agreements up to the amount of risk sharing protection provided by the County's risk sharing certificate.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2015

Note 7 - Risk Management (Continued)

The Pool's intergovernmental contract with its members provides that in the event a casualty claim or series of claims exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event that a series of casualty claims exhausts total members' equity plus any reinsurance and any excess risk-sharing recoveries, then payment of such claims shall be the obligation of the respective individual member. The County does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable that such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2015, no liability has been recorded in the County's financial statements. As of June 30, 2015, settled claims have not exceeded the risk pool or reinsurance company coverage since the pool's inception.

Members agree to continue membership in the Pool for a period of not less than one full year. After such period, a member who has given 60 days prior written notice may withdraw from the Pool. Upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal. Members withdrawing within the first six years of membership may receive a partial refund of their capital contributions. If a member withdraws after the sixth year, the member is refunded 100% of its casualty capital contributions. However, the refund is reduced by the amount of capital distributions previously received by the withdrawing member and an amount equal to the annual casualty operating contribution which the withdrawing member would have made for the one-year period following withdrawal.

The County also carries commercial insurance purchased from other insurers for coverage associated with workers compensation and employee blanket bond in the amount of \$500,000 and \$100,000, respectively. The County assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The County also participates in the Iowa Municipalities Workers' Compensation Association (IMWCA) for workman's compensation insurance.

Note 8 - Pension Plan

Plan description – IPERS membership is mandatory for employees of the County, except for those covered by another retirement system. Employees of the County are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive, P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

IPERS benefits are established under Iowa Code chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

Pension Benefits - A Regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, anytime after reaching age 62 with 20 or more years of covered employment, or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. (These qualifications must be met on the member's first month of entitlement to benefits.) Members cannot begin receiving retirement benefits before age 55.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2015

Note 8 - Pension Plan (Continued)

The formula used to calculate a Regular member's monthly IPERS benefit includes:

- A multiplier (based on years of service).
- The member's highest five-year average salary. (For members with service before June 30, 2012, the highest three-year average salary as of that date will be used if it is greater than the highest five-year average salary).

Sheriff and deputy and protection occupation members may retire at normal retirement age which is generally at age 55. Sheriff and deputy protection members may retire any time after reaching age 50 with 22 or more years of covered employment.

The formula used to calculate a protection occupation members' monthly IPERS benefit includes:

- 60% of average salary after completion of 22 years of service, plus an additional 1.5% of average salary for years of service greater than 22 but not more than 30 years of service.
- The member's highest three-year average salary.

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25% for each month that the member receives benefits before the member's earliest normal retirement age. For service earned starting July 1, 2012, the reduction is 0.50% for each month that the member receives benefits before age 65.

Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefit payments.

Disability and Death Benefits - A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member's beneficiary will receive a lifetime annuity or a lump-sum payment equal to the present actuarial value of the member's accrued benefit or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

Contributions - Effective July 1, 2012, as a result of a 2010 law change, the contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. Statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires that the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30 year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll, based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2015, pursuant to the required rate, Regular members contributed 5.95 percent of pay and the County contributed 8.93 percent for a total rate of 14.88 percent. Protective occupation members contributed 6.76 percent of pay and the County contributed 10.14 percent for a total rate of 16.90 percent, sheriff members and the County both contributed 9.88 percent for a total of 19.76 percent.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2015

Note 8 - Pension Plan (Continued)

The County's total contributions to IPERS for the year ended June 30, 2015 were \$490,311.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2015, the County reported a liability of \$2,164,725 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2014, the County's collective proportion was .0597734 percent, which was a decrease of 0.0088384 percent from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the County recognized pension expense of (\$306,091). At June 30, 2015 the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 25,334	\$ 39,727
Changes of assumptions	102,875	33,122
Net difference between projected and actual earnings on pension plan investments	-	1,266,124
Changes in proportion and differences between County contributions and proportionate share of contributions	275,497	-
County contributions subsequent to the measurement date	490,311	-
Total	<u>\$ 644,017</u>	<u>\$ 1,338,973</u>

\$490,311 reported as deferred outflows of resources related to pensions resulting from the County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2016	\$ (298,831)
2017	(298,831)
2018	(298,831)
2019	(298,831)
2020	(10,056)
	<u>\$ (1,185,267)</u>

There were no non-employer contributing entities at IPERS.

Actuarial assumptions – The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2015

Note 8 - Pension Plan (Continued)

Rate of Inflation (effective June 30, 2014)	3.00 percent per annum
Salary Increases (effective June 30, 2014)	4.00 to 17 percent average, including inflation. Rates vary by membership group.
Investment Rate of Return (effective June 30, 2014)	7.50 percent per annum, compounded annually, net of pension plan investment expense, and including inflation

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.

Mortality rates were based on the RP-2000 Generational Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	23%	6.31
Non US Equity	15	6.76
Private Equity	13	11.34
Real Estate	8	3.52
Core Plus Fixed Income	28	2.06
Credit Opportunities	5	3.67
TIPS	5	1.92
Other Real Assets	2	6.27
Cash	1	(0.69)
Total	100%	

Discount rate – The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and that contributions from the County will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County proportionate share of the net pension liability to changes in the discount rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50 percent) or 1 percentage point higher (8.5 percent) than the current rate.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2015

Note 8 - Pension Plan (Continued)

	1% Decrease 6.5%	Discount Rate 7.5%	1% Increase 8.5%
County's proportionate share of the net Pension liability	\$ 5,044,649	\$ 2,164,725	\$ (283,591)

Pension plan fiduciary net position – Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report which is available on IPERS' website at www.ipers.org.

Payables to the pension plan – At June 30, 2015, the County reported payables to the defined benefit pension plan of \$-0- for legally required employer contributions and \$-0- for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

Note 9 - Other Postemployment Benefits (OPEB)

Plan Description. The County operates a single-employer retiree benefit plan which provides medical/prescription drug benefits for retirees and their spouses. There are 107 active and 1 retired members in the plan. Participants must be age 55 or older at retirement.

The medical/prescription drug benefits are provided through a medical plan administered by Wellmark. Retirees under age 65 pay the same premium for the medical/prescription drug benefit as active employees, which results in an implicit subsidy and an OPEB liability.

Funding Policy. The contribution requirements of plan members are established and may be amended by the County. The County currently finances the retiree benefit plan on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation. The County's annual OPEB cost is calculated based on the annual required contribution (ARC) of the County, an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

The following table shows the components of the County's annual OPEB cost for the year ended June 30, 2015, the amount actually contributed to the plan and changes in the County's net OPEB obligation:

Annual required contribution	\$ 5,866
Interest on net OPEB obligation	1,009
Adjustment to annual required contribution	(1,377)
Annual OPEB cost	5,498
Contributions made	(4,892)
Increase in net OPEB obligation	606
Net OPEB obligation beginning of year	22,428
Net OPEB obligation end of year	<u>\$ 23,034</u>

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2008. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2015.

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation is summarized as follows:

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2015

Note 9 - Postemployment Benefits (OPEB) (Continued)

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2015	\$ 5,498	89.0%	\$ 23,034
June 30, 2014	\$ 6,912	14.3%	\$ 22,428
June 30, 2013	\$ 6,912	14.3%	\$ 15,960
June 30, 2012	\$ 6,912	14.3%	\$ 9,828

Funded Status and Funding Progress. As of July 1, 2014, the most recent actuarial valuation date for the period July 1, 2014 through June 30, 2015, the actuarial accrued liability was \$55,008, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$55,008. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$5,050,000 and the ratio of the UAAL to covered payroll was 1.10%. As of June 30, 2015, there were no trust fund assets.

Actuarial Methods and Assumptions. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information in the section following the Notes to Financial Statements, will present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the plan as understood by the employer and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

As of July 1, 2014 actuarial valuation date, the projected unit credit actuarial cost method was used. The actuarial assumptions includes a 4.5% discount rate based on the County's funding policy. The projected annual medical trend rate is 5%. The ultimate medical trend rate is 5%.

Mortality rates are from the RP2014 Group Annuity Mortality Table. Annual retirement and termination probabilities were based on 25% for actives currently electing coverage beginning at age 55 and 0% for actives currently waiving coverage.

Projected claim costs of the medical plan are \$1,036 per month for retirees less than age 65. The salary increase rate was assumed to be 3% per year. The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

Note 10 - 28E Agreement

During the year ended June 30, 2002, the County entered into several 28E Agreements with the communities in the County to contribute funds for the construction of a County jail from local option sales tax proceeds. The communities agreed to contribute a total of \$3,236,020

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2015

Note 10 - 28E Agreement

through November 2016. As of June 30, 2015, the communities have made payments totaling \$2,804,759. In August 2010, the communities agreed on a new 28E repayment schedule due to the issuance of the LOST refunding bonds which reduced the future bond payments. The new agreement reduced the payments remaining from the area communities from \$1,499,589 to \$1,495,292 with the final payments due December 1, 2016.

Note 11 - Contingencies

The County receives significant financial assistance from the U.S. government. Entitlement to the resources is generally based on compliance with terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by the grantors. Any disallowances as a result of these audits become a liability of the fund that receives the grant. As of June 30, 2015, the County estimates that no material liabilities will result from such audits.

Note 12 - Commitments

The County has entered into construction contracts totaling \$3,712,344 for bridge and roadway construction. As of June 30, 2015, \$2,411,738 had been incurred against the contracts. The balance of \$1,300,605 will be paid as work on the project progresses.

In 2013, the County pledged \$400,000 to Floyd Valley Hospital for three fiscal years for construction projects at the hospital. The County paid \$150,000 in 2014 and \$150,000 in 2015 and will pay \$100,000 in 2016 to fulfill this pledge.

Note 13 - Deficit Fund Balances

The County has two funds with deficit fund balances at June 30, 2015. The County intends to finance the deficits in the Urban Renewal funds with future TIF revenues.

The fund deficits were as follows:

Special Revenue – Plymouth County Ethanol Urban Renewal	\$ 1,483,683
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Note 14 – Accounting Change / Restatement

Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB No. 27* was implemented during fiscal year 2015. The revised requirements establish new financial reporting requirements for state and local governments which provide their employees with pension benefits, including additional note disclosures and required supplementary information. In addition, GASB No. 68 requires a state or local government employer to recognize a net pension liability and changes in the net pension liability, deferred outflows of resources and deferred inflows of resources which arise from other types of events related to pensions. During the transition year, as permitted, beginning balances for deferred outflows of resources and deferred inflows of resources will not be reported, except for deferred outflows of resources related to contributions made after the measurement date of the beginning net pension liability which is required to be reported by Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. In addition, a land purchase for \$50,000 was inadvertently omitted from capital assets at June 30, 2014. Beginning net position for governmental activities was restated

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2015

Note 14 – Accounting Change / Restatement (Continued)

to retroactively report the beginning net pension liability and deferred outflows of resources related to contributions made after the measurement date and the additional land purchase as follows:

	Governmental Activities
Net Position June 30, 2014, as previously reported	\$ 62,852,480
Net Pension Liability at June 30, 2014	(3,637,934)
Deferred outflows of resources related to contributions made after the June 30, 2013 measurement date	472,162
Land Purchase	50,000
Net Position June 30, 2014, as restated	<u>\$ 59,736,708</u>

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF PLYMOUTH, IOWA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE, BUDGET
AND ACTUAL - ALL GOVERNMENTAL FUNDS (CASH BASIS)
Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Amended		
Receipts:				
Property and other county taxes	\$ 12,153,796	\$ 12,153,796	\$ 18,005,819	\$ 5,852,023
Interest and penalties on taxes	68,000	68,000	58,893	(9,107)
Intergovernmental	7,519,472	8,034,472	1,331,107	(6,703,365)
Licenses and permits	24,200	24,200	29,797	5,597
Charges for services	1,103,610	1,200,610	999,575	(201,035)
Use of money and property	151,455	151,455	183,606	32,151
Miscellaneous	1,081,161	1,104,161	948,071	(156,090)
Total Receipts	22,101,694	22,736,694	21,556,868	(1,179,826)
Disbursements				
Current operating:				
Public safety and legal services	3,512,506	3,550,006	3,331,811	218,195
Physical health and social services	365,956	383,956	363,723	20,233
Mental Health	1,280,021	1,280,021	1,157,932	122,089
County environment and education	980,989	995,989	944,100	51,889
Roads and transportation	9,512,000	9,512,000	6,989,184	2,522,816
Government services to residents	806,496	806,496	777,576	28,920
Administration	4,676,691	4,696,691	3,221,030	1,475,661
Debt service	1,658,326	1,658,326	1,658,005	321
Capital projects	1,770,000	3,114,000	2,636,674	477,326
Total Disbursements	24,562,985	25,997,485	21,080,035	4,917,450
Excess (Deficiency) of receipts over disbursements	(2,461,291)	(3,260,791)	476,833	3,737,624
Other financing sources (uses):				
Transfers in	3,885,543	3,885,543	4,434,612	549,069
Transfers out	(3,885,543)	(3,885,543)	(4,434,612)	(549,069)
Proceeds from issuance of debt	100,000	100,000	100,000	-
Total other financing sources (uses)	100,000	100,000	100,000	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	\$ (2,361,291)	\$ (3,160,791)	576,833	\$ 3,737,624
Balance beginning of year			7,082,704	
Balance end of year			\$ 7,659,537	

COUNTY OF PLYMOUTH, IOWA
Notes to Required Supplementary Information – Budgetary Reporting
June 30, 2015

The budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the County Board of Supervisors annually adopts a budget on the cash basis following required public notice and hearing for all funds except Agency Funds, and appropriates the amount deemed necessary for each of the different County offices and departments. The budget may be amended during the year utilizing similar statutorily prescribed procedures. Encumbrances are not recognized in the cash basis budget and appropriations lapse at year end.

Formal and legal budgetary control is based upon 10 major classes of expenditures known as functions, not by fund or fund type. These 10 functions are: public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, the County approved two budget amendments. The first amendment increased budgeted revenues and expenditures by \$635,000 and \$1,382,500, respectively. The second budget amendment increased budgeted disbursements by an additional \$52,000. The budget amendment is reflected in the final budgeted amounts.

In addition, annual budgets are similarly adopted in accordance with the Code of Iowa by the appropriate governing body as indicated: for the County Extension Office by the County Agricultural Extension Council, for the County Assessor by the County Conference Board, for the E911 System by the Joint E911 Service Board and for Emergency Management Services by the County Emergency Management Commission.

During the year ended June 30, 2015, disbursements did not exceed the amounts budgeted in any functions.

COUNTY OF PLYMOUTH, IOWA
Notes to Required Supplementary Information – Budgetary Reporting
June 30, 2015

As noted previously, the actual results of operations are presented in accordance with U.S. generally accepted accounting principles which differ in certain respects from those practices used in the preparation of the 2014-15 budget. For purposes of preparing the budget comparison above, the actual expenditures have been adjusted to the cash basis which is consistent with the County's budgeted expenditures. The adjustments required to convert the expenditures to cash basis at the end of year are as follows:

	Governmental Funds		
		Total	
	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 21,556,868	\$ 414,737	\$ 21,971,605
Expenditures	21,080,035	(393,159)	21,473,194
Net	476,833	21,578	498,411
Other Financing Sources	100,000	-	100,000
Beginning Fund Balance	7,082,704	2,997,095	10,079,799
Increase in Reserve for Inventory	-	(380,759)	(380,759)
Decrease in Reserve for Prepaid Assets	-	(14,889)	(14,889)
Ending Fund Balance	<u>\$ 7,659,537</u>	<u>\$ 2,623,025</u>	<u>\$ 10,282,562</u>

PLYMOUTH COUNTY
Schedule of Funding Progress for the Retiree Health Plan
Required Supplementary Information

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2010	July 1, 2008	-	\$ 59,051	\$ 59,051	0.00%	\$4,675,000	1.26%
2011	July 1, 2008	-	\$ 59,051	\$ 59,051	0.00%	\$4,675,000	1.26%
2012	July 1, 2011	-	\$ 66,541	\$ 66,541	0.00%	\$4,530,000	1.47%
2013	July 1, 2011	-	\$ 66,541	\$ 66,541	0.00%	\$4,530,000	1.47%
2014	July 1, 2011	-	\$ 66,541	\$ 66,541	0.00%	\$4,530,000	1.47%
2015	July 1, 2014	-	\$ 55,008	\$ 55,008	0.00%	\$5,050,000	1.09%

See Note 9 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB Cost and Net OPEB Obligation, funded status and funding progress.

PLYMOUTH COUNTY, IOWA
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM LAST FISCAL YEAR*
(IN THOUSANDS)
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2015

	2015
County's proportion of the net pension liability	0.0597734%
County's proportionate share of the net pension liability	\$ 2,165
County's covered-employee payroll	\$ 5,357
County's proportionate share of the net pension liability as a percentage of its covered employee payroll	40.41%
Plan fiduciary net position as a percentage of the total pension liability	87.61%

*The amounts presented for each fiscal year were determined as of June 30.

Note: GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the County will present information for those years for which information is available.

**PLYMOUTH COUNTY, IOWA
SCHEDULE OF THE COUNTY CONTRIBUTIONS
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TEN YEARS (IN THOUSANDS)
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2015**

	2015	2014	2013	2012	2011
Statutorily required contribution	\$ 490	\$ 492	\$ 471	\$ 430	\$ 375
Contributions in relation to the statutorily required contribution	(490)	(492)	(471)	(430)	(375)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered employee payroll	\$ 5,357	\$ 5,349	\$ 5,216	\$ 5,041	\$ 4,973
Contributions as a percentage of covered-employee payroll	9.14%	9.20%	9.03%	8.53%	7.54%

	2010	2009	2008	2007	2006
Statutorily required contribution	\$ 346	\$ 321	\$ 284	\$ 270	\$ 260
Contributions in relation to the statutorily required contribution	(346)	(321)	(284)	(270)	(260)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered employee payroll	\$ 4,908	\$ 4,777	\$ 4,518	\$ 4,398	\$ 4,239
Contributions as a percentage of covered-employee payroll	7.05%	6.72%	6.29%	6.14%	6.13%

See accompanying independent auditors' report

**PLYMOUTH COUNTY, IOWA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION –
PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2015**

Changes of Benefit Terms:

Legislation passed in 2010 modified benefit terms for current Regular members. The definition of final average salary changed from the highest three to the highest five years of covered wages. The vesting requirement changed from four years of service to seven years. The early retirement reduction increased from 3 percent per year measured from the member's first unreduced retirement age to a 6 percent reduction for each year of retirement before age 65.

In 2008, legislative action transferred four groups – emergency medical service providers, county jailers, county attorney investigators, and National Guard installation security officers – from Regular membership to the protection occupation group for future service only.

Benefit provisions for sheriffs and deputies were changed in the 2004 legislative session. The eligibility for unreduced retirement benefits was lowered from age 55 by one year each July 1 (beginning in 2004) until it reached age 50 on July 1, 2008. The years of service requirement remained at 22 or more. Their contribution rates were also changed to be shared 50-50 by the employee and employer, instead of the previous 40-60 split.

Changes of Assumptions

The 2014 valuation implemented the following refinements as a result of a quadrennial experience study:

- Decreased the inflation assumption from 3.25 percent to 3.00 percent.
- Decreased the assumed rate of interest on member accounts from 4.00 percent to 3.75 percent per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Reduced retirement rates for sheriffs and deputies between the ages of 55 and 64.
- Moved from an open 30 year amortization period to a closed 30 year amortization period for the UAL beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20 year period.

The 2010 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted retiree mortality assumptions.
- Modified retirement rates to reflect fewer retirements.
- Lowered disability rates at most ages.
- Lowered employment termination rates.
- Generally increased the probability of terminating members receiving a deferred retirement benefit.
- Modified salary increase assumptions based on various service duration.

The 2007 valuation adjusted the application of the entry age normal cost method to better match projected contributions to the projected salary stream in the future years. It also included in the calculation of the UAL amortization payments the one-year lag between the valuation date and the effective date of the annual actuarial contribution rate.

**PLYMOUTH COUNTY, IOWA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION –
PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2015**

The 2006 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted salary increase assumptions to service based assumptions.
- Decreased the assumed interest rate credited on employee contributions from 4.25 percent to 4.00 percent.
- Lowered the inflation assumption from 3.50 percent to 3.25 percent.
- Lowered disability rates for sheriffs and deputies and protection occupation members.

OTHER SUPPLEMENTARY INFORMATION

COUNTY OF PLYMOUTH, IOWA
 COMBINING BALANCE SHEET
 Governmental Nonmajor Funds
 JUNE 30, 2015

	Special Revenue Funds			
	Debt Service	Mental Health	Revolving Loan Fund	Veteran Affairs County Grant
Assets				
Cash and Pooled Investments	\$ 58,580	\$ 329,937	\$ 167,910	\$ 992
Receivables:				
Property Tax	55	212	-	-
Future Property Tax	100,500	363,771	-	-
Accrued Interest	13	-	-	-
Accounts	-	-	-	-
Due from Other Governmental Agencies	-	35,622	-	-
Restricted Assets:				
Cash and Pooled Investments	540,000	-	-	-
Total Assets	699,148	729,542	167,910	992
Liabilities				
Accounts Payable	-	15,626	-	-
Due to Other Governmental Agencies	-	285,841	-	-
Total Liabilities	-	301,467	-	-
Deferred Inflows of Resources				
Unavailable Revenue - Delinquent Property Tax	49	188	-	-
Unavailable Revenue - Subsequent Year Property Tax	100,500	363,771	-	-
Total Deferred Inflows of Resources	100,549	363,959	-	-
Fund Balances (Deficits)				
Restricted for:				
Mental Health Purposes	-	64,116	-	-
Debt Service	598,599	-	-	-
Revolving Loan	-	-	167,910	-
Other Purposes	-	-	-	992
Total Fund Balances	598,599	64,116	167,910	992
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 699,148	\$ 729,542	\$ 167,910	\$ 992

Special Revenue Funds				
Recorder's Records Management Fund	REAP	Forfeiture Fund	Total	
\$ 18,561	\$ 57,223	\$ 108,862	\$ 742,065	
-	-	-	267	
-	-	-	464,271	
1	9	1	24	
-	-	742	742	
-	-	-	35,622	
-	-	-	540,000	
18,562	57,232	109,605	1,782,991	
-	-	1,540	17,166	
-	-	-	285,841	
-	-	1,540	303,007	
-	-	-	237	
-	-	-	464,271	
-	-	-	464,508	
-	-	-	64,116	
-	-	-	598,599	
-	-	-	167,910	
18,562	57,232	108,065	184,851	
18,562	57,232	108,065	1,015,476	
\$ 18,562	\$ 57,232	\$ 109,605	\$ 1,782,991	

COUNTY OF PLYMOUTH, IOWA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
Governmental Nonmajor Funds
YEAR ENDED JUNE 30, 2015

	Special Revenue Funds			
	Debt Service	Mental Health	Revolving Loan Fund	Veteran Affairs County Grant
Revenue:				
Property and other county taxes	\$ 95,873	\$ 346,753	\$ -	\$ -
Intergovernmental	218,416	171,828	-	10,000
Charges for services	-	-	-	-
Use of money and property	230	-	-	-
Miscellaneous	-	47,012	-	-
Total Revenue	314,519	565,593	-	10,000
Expenditures:				
Current operating:				
Public safety and legal services	-	-	-	-
Physical health and social services	-	-	-	9,900
Mental health	-	1,423,562	-	-
County environment and education	-	-	-	-
Administration	-	-	150,000	-
Debt service:				
Principal	1,435,000	-	-	-
Interest	223,005	-	-	-
Total Expenditures	1,658,005	1,423,562	150,000	9,900
Excess (Deficiency) of revenues over expenditures	(1,343,486)	(857,969)	(150,000)	100
Other financing sources				
Transfers in	1,344,612	-	-	-
Total other financing sources	1,344,612	-	-	-
Net Change in Fund Balances	1,126	(857,969)	(150,000)	100
Fund balances - beginning of year	597,473	922,085	317,910	892
Fund balances - end of year	\$ 598,599	\$ 64,116	\$ 167,910	\$ 992

Special Revenue Funds				
Recorder's Records Management Fund	REAP	Forfeiture Fund	Total	
\$ -	\$ -	\$ -	\$	442,626
-	25,987	1,725		427,956
4,578	-	-		4,578
11	108	11		360
-	-	30,664		77,676
4,589	26,095	32,400		953,196
-	-	35,323		35,323
-	-	-		9,900
-	-	-		1,423,562
-	11,073	1,075		12,148
-	-	-		150,000
-	-	-		1,435,000
-	-	-		223,005
-	11,073	36,398		3,288,938
4,589	15,022	(3,998)		(2,335,742)
-	-	-		1,344,612
-	-	-		1,344,612
4,589	15,022	(3,998)		(991,130)
13,973	42,210	112,063		2,006,606
\$ 18,562	\$ 57,232	\$ 108,065	\$	1,015,476

COUNTY OF PLYMOUTH, IOWA
COMBINING SCHEDULE OF FIDUCIARY NET POSITION
Agency Funds
JUNE 30, 2015

	County Recorder	County Sheriff	Ag Extension Education	County Assessor
ASSETS				
Cash and Pooled Investments	\$ 69,324	\$ 114,172	\$ 1,969	\$ 375,967
Receivables:				
Property Tax	-	-	133	289
Future Property Tax	-	-	226,500	495,000
Assessments	-	-	-	-
Accounts	452	-	-	-
Accrued Interest	-	-	-	-
Due from Other Governments	-	-	-	-
Total Assets	69,776	114,172	228,602	871,256
LIABILITIES				
Accounts Payable	-	1,053	-	69
Due to Other Governments	69,776	113,119	228,602	867,207
Compensated Absences	-	-	-	3,980
Total Liabilities	\$ 69,776	\$ 114,172	\$ 228,602	\$ 871,256

Schools	Area Schools	Corporations	Townships	City Special Assessments
\$ 156,593	\$ 9,687	\$ 42,637	\$ 4,203	\$ 2,238
11,167	640	7,569	161	-
18,238,989	1,093,717	12,401,015	397,990	-
-	-	-	-	19,470
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
18,406,749	1,104,044	12,451,221	402,354	21,708
-	-	-	-	-
18,406,749	1,104,044	12,451,221	402,354	21,708
-	-	-	-	-
\$ 18,406,749	\$ 1,104,044	\$ 12,451,221	\$ 402,354	\$ 21,708

COUNTY OF PLYMOUTH, IOWA
COMBINING SCHEDULE OF FIDUCIARY NET POSITION (Continued)
Agency Funds
JUNE 30, 2015

	Auto License-Use Tax	Joint Disaster	Brucellosis & Tuberculosis Eradication
ASSETS			
Cash and Pooled Investments	\$ 740,753	\$ 107,188	\$ 2,162
Receivables:			
Property Tax	-	-	2
Future Property Tax	-	-	4,671
Assessments	-	-	-
Accounts	-	-	-
Accrued Interest	-	-	-
Due from Other Governments	-	15,128	-
Total Assets	<u>740,753</u>	<u>122,316</u>	<u>6,835</u>
LIABILITIES			
Accounts Payable	-	10,619	-
Due to Other Governments	740,753	111,697	6,835
Compensated Absences	-	-	-
Total Liabilities	<u>\$ 740,753</u>	<u>\$ 122,316</u>	<u>\$ 6,835</u>

Tax Redemption	Emergency 911	Future Tax Payment	Recorder's Electronic Fee Fund	Drainage Districts	Total
\$ 32,298	\$ 660,594	\$ 127,930	\$ 553	\$ 140,108	\$ 2,588,376
-	-	-	-	-	19,961
-	-	-	-	-	32,857,882
-	-	-	-	-	19,470
-	17,122	-	-	-	17,574
-	71	-	-	-	71
-	36,179	-	-	-	51,307
32,298	713,966	127,930	553	140,108	35,554,641
-	1,482	-	-	-	13,223
32,298	712,484	127,930	553	140,108	35,537,438
-	-	-	-	-	3,980
\$ 32,298	\$ 713,966	\$ 127,930	\$ 553	\$ 140,108	\$ 35,554,641

COUNTY OF PLYMOUTH, IOWA
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
Agency Funds
Year Ended June 30, 2015

	Balance June 30, 2014	Addi- tions	Deduc- tions	Balance June 30, 2015
County Recorder				
Assets				
Cash and Pooled Investments	\$ 61,163	\$ 520,929	\$ 512,768	\$ 69,324
Accounts Receivable	263	11,183	10,994	452
Total Assets	<u>61,426</u>	<u>532,112</u>	<u>523,762</u>	<u>69,776</u>
Liabilities				
Due to Other Governments	61,426	532,112	523,762	69,776
Total Liabilities	<u>61,426</u>	<u>532,112</u>	<u>523,762</u>	<u>69,776</u>
County Sheriff				
Assets				
Cash and Pooled Investments	76,741	546,411	508,980	114,172
Total Assets	<u>76,741</u>	<u>546,411</u>	<u>508,980</u>	<u>114,172</u>
Liabilities				
Account Payable	1,047	108,288	108,282	1,053
Due to Other Governments	75,694	438,123	400,698	113,119
Total Liabilities	<u>76,741</u>	<u>546,411</u>	<u>508,980</u>	<u>114,172</u>
Agricultural Extension Education				
Assets				
Cash and Pooled Investments	2,478	222,389	222,898	1,969
Property Tax Receivable	262	133	262	133
Future Property Tax Receivable	219,000	226,500	219,000	226,500
Total Assets	<u>221,740</u>	<u>449,022</u>	<u>442,160</u>	<u>228,602</u>
Liabilities				
Due to Other Governments	221,740	449,022	442,160	228,602
Total Liabilities	<u>221,740</u>	<u>449,022</u>	<u>442,160</u>	<u>228,602</u>
County Assessor				
Assets				
Cash and Pooled Investments	377,416	-	1,449	375,967
Property Tax Receivable	575	289	575	289
Future Property Tax Receivable	480,800	495,000	480,800	495,000
Total Assets	<u>858,791</u>	<u>495,289</u>	<u>482,824</u>	<u>871,256</u>
Liabilities				
Accounts Payable	22,001	69	22,001	69
Compensated Absences	2,738	3,980	2,738	3,980
Due to Other Governments	834,052	491,240	458,085	867,207
Total Liabilities	<u>\$ 858,791</u>	<u>\$ 495,289</u>	<u>\$ 482,824</u>	<u>\$ 871,256</u>

(Continued)

COUNTY OF PLYMOUTH, IOWA
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES - (Continued)
Agency Funds
Year Ended June 30, 2015

	Balance June 30, 2014	Addi- tions	Deduc- tions	Balance June 30, 2015
Schools				
Assets				
Cash and Pooled Investments	\$ 202,982	\$ 17,767,266	\$ 17,813,655	\$ 156,593
Property Tax Receivable	20,004	11,167	20,004	11,167
Future Property Tax Receivable	17,525,253	18,238,989	17,525,253	18,238,989
Total Assets	<u>17,748,239</u>	<u>36,017,422</u>	<u>35,358,912</u>	<u>18,406,749</u>
Liabilities				
Due to Other Governments	<u>17,748,239</u>	<u>36,017,422</u>	<u>35,358,912</u>	<u>18,406,749</u>
Total Liabilities	<u>17,748,239</u>	<u>36,017,422</u>	<u>35,358,912</u>	<u>18,406,749</u>
Area Schools				
Assets				
Cash and Pooled Investments	11,883	-	2,196	9,687
Property Tax Receivable	1,291	640	1,291	640
Future Property Tax Receivable	1,077,529	1,093,717	1,077,529	1,093,717
Total Assets	<u>1,090,703</u>	<u>1,094,357</u>	<u>1,081,016</u>	<u>1,104,044</u>
Liabilities				
Due to Other Governments	<u>1,090,703</u>	<u>1,094,357</u>	<u>1,081,016</u>	<u>1,104,044</u>
Total Liabilities	<u>1,090,703</u>	<u>1,094,357</u>	<u>1,081,016</u>	<u>1,104,044</u>
Corporations				
Assets				
Cash and Pooled Investments	67,845	10,648,031	10,673,239	42,637
Property Tax Receivable	20,009	7,569	20,009	7,569
Future Property Tax Receivable	10,411,194	12,401,015	10,411,194	12,401,015
Total Assets	<u>10,499,048</u>	<u>23,056,615</u>	<u>21,104,442</u>	<u>12,451,221</u>
Liabilities				
Due to Other Governments	<u>10,499,048</u>	<u>23,056,615</u>	<u>21,104,442</u>	<u>12,451,221</u>
Total Liabilities	<u>10,499,048</u>	<u>23,056,615</u>	<u>21,104,442</u>	<u>12,451,221</u>
Townships				
Assets				
Cash and Pooled Investments	5,137	399,408	400,342	4,203
Property Tax Receivable	141	161	141	161
Future Property Tax Receivable	378,744	397,990	378,744	397,990
Total Assets	<u>384,022</u>	<u>797,559</u>	<u>779,227</u>	<u>402,354</u>
Liabilities				
Due to Other Governments	<u>384,022</u>	<u>797,559</u>	<u>779,227</u>	<u>402,354</u>
Total Liabilities	<u>\$ 384,022</u>	<u>\$ 797,559</u>	<u>\$ 779,227</u>	<u>\$ 402,354</u>

(Continued)

COUNTY OF PLYMOUTH, IOWA
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES - (Continued)
Agency Funds
Year Ended June 30, 2015

	Balance June 30, 2014	Addi- tions	Deduc- tions	Balance June 30, 2015
City Special Assessments				
<i>Assets</i>				
Cash and Pooled Investments	\$ 1,911	\$ 17,070	\$ 16,743	\$ 2,238
Assessments Receivable	13,008	19,470	13,008	19,470
Total Assets	<u>14,919</u>	<u>36,540</u>	<u>29,751</u>	<u>21,708</u>
<i>Liabilities</i>				
Due to Other Governments	14,919	36,540	29,751	21,708
Total Liabilities	<u>14,919</u>	<u>36,540</u>	<u>29,751</u>	<u>21,708</u>
Auto License and Use Tax				
<i>Assets</i>				
Cash and Pooled Investments	688,109	8,965,333	8,912,689	740,753
Total Assets	<u>688,109</u>	<u>8,965,333</u>	<u>8,912,689</u>	<u>740,753</u>
<i>Liabilities</i>				
Due to Other Governments	688,109	8,965,333	8,912,689	740,753
Total Liabilities	<u>688,109</u>	<u>8,965,333</u>	<u>8,912,689</u>	<u>740,753</u>
Joint Disaster				
<i>Assets</i>				
Cash and Pooled Investments	74,173	154,212	121,197	107,188
Due from Other Governments	30,228	15,128	30,228	15,128
Total Assets	<u>104,401</u>	<u>169,340</u>	<u>151,425</u>	<u>122,316</u>
<i>Liabilities</i>				
Accounts Payable	761	10,619	761	10,619
Compensated Absences	1,032	-	1,032	-
Due to Other Governments	102,608	158,721	149,632	111,697
Total Liabilities	<u>104,401</u>	<u>169,340</u>	<u>151,425</u>	<u>122,316</u>
Brucellosis and Tuberculosis Eradication				
<i>Assets</i>				
Cash and Pooled Investments	51	7,029	4,918	2,162
Property Tax Receivable	5	2	5	2
Future Property Tax	4,567	4,671	4,567	4,671
Total Assets	<u>4,623</u>	<u>11,702</u>	<u>9,490</u>	<u>6,835</u>
<i>Liabilities</i>				
Due to Other Governments	4,623	11,702	9,490	6,835
Total Liabilities	<u>\$ 4,623</u>	<u>\$ 11,702</u>	<u>\$ 9,490</u>	<u>\$ 6,835</u>

(Continued)

COUNTY OF PLYMOUTH, IOWA
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES - (Continued)
Agency Funds
Year Ended June 30, 2015

	Balance June 30, 2014	Addi- tions	Deduc- tions	Balance June 30, 2015
Tax Redemption				
<i>Assets</i>				
Cash and Pooled Investments	\$ 35,409	\$ 244,255	\$ 247,366	\$ 32,298
Total Assets	<u>35,409</u>	<u>244,255</u>	<u>247,366</u>	<u>32,298</u>
<i>Liabilities</i>				
Due to Other Governments	35,409	244,255	247,366	32,298
Total Liabilities	<u>35,409</u>	<u>244,255</u>	<u>247,366</u>	<u>32,298</u>
E-911				
<i>Assets</i>				
Cash and Pooled Investments	721,330	247,179	307,915	660,594
Accounts Receivable	14,387	17,122	14,387	17,122
Accrued Interest	-	71	-	71
Due from Other Governments	34,441	36,179	34,441	36,179
Total Assets	<u>770,158</u>	<u>300,551</u>	<u>356,743</u>	<u>713,966</u>
<i>Liabilities</i>				
Accounts Payable	14	1,482	14	1,482
Due to Other Governments	770,144	299,069	356,729	712,484
Total Liabilities	<u>770,158</u>	<u>300,551</u>	<u>356,743</u>	<u>713,966</u>
Future Tax				
<i>Assets</i>				
Cash and Pooled Investments	112,817	145,232	130,119	127,930
Total Assets	<u>112,817</u>	<u>145,232</u>	<u>130,119</u>	<u>127,930</u>
<i>Liabilities</i>				
Due to Other Governments	112,817	145,232	130,119	127,930
Total Liabilities	<u>112,817</u>	<u>145,232</u>	<u>130,119</u>	<u>127,930</u>
Recorder's Electronic Fee Fund				
<i>Assets</i>				
Cash	413	5,047	4,907	553
Total Assets	<u>413</u>	<u>5,047</u>	<u>4,907</u>	<u>553</u>
<i>Liabilities</i>				
Due to Other Governments	413	5,047	4,907	553
Total Liabilities	<u>\$ 413</u>	<u>\$ 5,047</u>	<u>\$ 4,907</u>	<u>\$ 553</u>

(Continued)

COUNTY OF PLYMOUTH, IOWA
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES - (Continued)
Agency Funds
Year Ended June 30, 2015

	Balance July 1, 2014	Addi- tions	Deduc- tions	Balance June 30, 2015
Drainage Districts				
<i>Assets</i>				
Cash and Pooled Investments	\$ 77,644	\$ 80,139	\$ 17,675	\$ 140,108
Total Assets	<u>77,644</u>	<u>80,139</u>	<u>17,675</u>	<u>140,108</u>
<i>Liabilities</i>				
Due to Other Governments	<u>77,644</u>	<u>80,139</u>	<u>17,675</u>	<u>140,108</u>
Total Liabilities	<u>77,644</u>	<u>80,139</u>	<u>17,675</u>	<u>140,108</u>
Total All Agency Funds				
<i>Assets</i>				
Cash and Pooled Investments	2,517,502	39,969,930	39,899,056	2,588,376
Receivables:				
Property Tax	42,287	19,961	42,287	19,961
Future Property Tax	30,097,087	32,857,882	30,097,087	32,857,882
Accounts	14,650	28,305	25,381	17,574
Assessments	13,008	19,470	13,008	19,470
Accrued Interest	-	71	-	71
Due from Other Governments	<u>64,669</u>	<u>51,307</u>	<u>64,669</u>	<u>51,307</u>
Total Assets	<u>32,749,203</u>	<u>72,946,926</u>	<u>70,141,488</u>	<u>35,554,641</u>
<i>Liabilities</i>				
Accounts Payable	23,823	120,458	131,058	13,223
Due to Other Governments	32,721,610	72,822,488	70,006,660	35,537,438
Compensated Absences	<u>3,770</u>	<u>3,980</u>	<u>3,770</u>	<u>3,980</u>
Total Liabilities	<u>\$32,749,203</u>	<u>\$72,946,926</u>	<u>\$70,141,488</u>	<u>\$35,554,641</u>

COUNTY OF PLYMOUTH, IOWA

Schedule of Revenues By Source and Expenditures By Function - All Governmental Funds
For the Last Ten Years

	Modified Accrual Basis of Accounting			
	2015	2014	2013	2012
Revenue:				
Property and other county tax	\$ 12,007,208	\$ 11,649,019	\$ 11,448,720	\$ 9,877,179
Interest and penalty on property tax	57,942	62,868	61,238	63,172
Intergovernmental	8,360,448	8,382,773	6,308,678	8,972,935
Licenses and permits	28,262	26,115	22,375	17,800
Charges for services	994,309	1,046,727	1,125,503	1,115,565
Use of money and property	170,705	188,613	509,734	207,602
Miscellaneous	352,731	472,355	336,511	496,728
Total Revenue	21,971,605	21,828,470	19,812,759	20,750,981
Expenditures:				
Current operating:				
Public safety and legal services	3,473,775	3,325,102	3,223,465	3,071,623
Physical health and social services	363,456	351,297	382,695	364,859
Mental health	1,423,562	512,948	679,483	2,147,497
County environment and education	910,029	880,665	970,421	799,208
Roads and transportation	6,885,633	5,906,068	6,482,247	6,245,662
Government services to residents	776,960	776,742	849,607	710,910
Administration	3,405,368	3,766,018	3,270,103	3,727,087
Non-program services	-	-	-	-
Capital projects	2,576,406	3,469,183	3,426,005	1,140,267
Debt service	1,658,005	1,304,891	1,430,742	1,509,270
Total	\$ 21,473,194	\$ 20,292,914	\$ 20,714,768	\$ 19,716,383

Modified Accrual Basis of Accounting					
2011	2010	2009	2008	2007	2006
\$ 9,920,821	\$ 8,990,258	\$ 8,308,557	\$ 7,029,638	\$ 7,038,897	\$ 6,477,719
78,080	59,147	52,946	66,489	44,774	51,572
7,385,918	6,932,868	7,024,793	7,434,084	7,907,071	6,366,280
24,285	22,993	30,113	18,916	20,915	16,411
1,114,377	859,404	1,022,824	943,907	900,890	1,027,574
189,653	177,048	228,436	332,861	427,026	512,097
458,852	380,740	349,320	314,448	288,332	285,461
19,171,986	17,422,458	17,016,989	16,140,343	16,627,905	14,737,114
2,853,341	2,855,860	2,734,558	2,658,332	2,486,684	2,535,343
376,388	414,025	328,814	264,204	255,798	239,609
1,984,771	1,660,599	1,902,737	2,009,963	1,638,704	1,565,248
927,079	906,846	769,916	869,298	778,989	655,145
6,195,661	6,386,246	6,178,260	6,461,398	6,699,545	4,793,094
656,140	665,248	674,508	602,053	618,032	787,097
3,956,335	2,270,447	2,142,876	1,974,168	2,138,733	2,167,003
13,975	29,204	84,500	20,000	110,352	327,239
1,560,203	1,021,659	1,083,632	831,956	1,172,569	1,647,786
1,271,516	1,610,201	1,252,667	941,037	950,554	941,384
\$ 19,795,409	\$ 17,820,335	\$ 17,152,468	\$ 16,632,409	\$ 16,849,960	\$ 15,658,948

PLYMOUTH COUNTY, IOWA
Schedule of Expenditures of Federal Awards (Cash Basis)
Year Ended June 30, 2015

	CFDA Number	Agency or Pass-Through Number	Program Disburse- ments
Indirect:			
DEPARTMENT OF AGRICULTURE			
Iowa Department of Human Services:			
Human Services Administrative Reimbursements:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		\$ 9,332
DEPARTMENT OF JUSTICE			
Iowa Department of Justice:			
Crime Victim Assistance	16.575		25,394
DEPARTMENT OF TRANSPORTATION			
Iowa Department of Transportation:			
Highway Planning and Construction	20.205	BROS (135)	320,098
Highway Planning and Construction		BROS (136)	322,008
Highway Planning and Construction		BROS (140)	205,236
Highway Planning and Construction		BROS (141)	141,466
			<u>988,808 *</u>
Iowa Governor's Traffic Safety Bureau			
Alcohol Impaired Driving Countermeasures Incentive Grants	20.601		5,419
Human Services Administrative Reimbursements:			
Refugee and Entrant Assistance - State Administered Programs	93.566		20
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596		2,412
Foster Care - Title IV-E	93.658		3,576
Adoption Assistance	93.659		1,129
Social Services Block Grant	93.667		152,264
Children's Health Insurance Program	93.767		57
Medical Assistance Program	93.778		17,579
Child Support Enforcement	93.563		669
			<u>177,706</u>
Iowa Department of Public Health:			
Medical Reserve Corps	93.074		1,446
			<u>1,446</u>
DEPARTMENT OF HOMELAND SECURITY			
Iowa Department of Homeland Security and Emergency Management			
Hazard Mitigation Grant Program	97.039		29,307
Emergency Management Performance Grants	97.042		15,128
Public Assistance Disaster Grant	97.036		349,270 *
			<u>393,705</u>
Total Expenditures of Federal Awards			<u>\$ 1,601,810</u>

* Total disbursements from these programs exceeded 50% of the total federal awards and are considered major programs.

PLYMOUTH COUNTY, IOWA
Schedule of Expenditures of Federal Awards (Cash Basis) - (Continued)
Year Ended June 30, 2015

Basis of Presentation - The accompanying schedule of expenditures of federal awards includes the federal grant activity of Plymouth County and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

PLYMOUTH COUNTY
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

Part I: Summary of the Independent Auditor's Results

- (a) Unmodified opinions were issued on the financial statements.
- (b) A material weakness in internal control over financial reporting was disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) A material weakness in internal control over major programs was disclosed by the audit of the financial statements.
- (e) An unmodified opinion was issued on compliance with requirements applicable to each major program.
- (f) The audit disclosed a finding which was required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) The major program was as follows:

CFDA Number	Program Name
20.205	Highway Planning and Construction
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)

- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000
- (i) Plymouth County did not qualify as a low-risk auditee.

Part II: Findings Related to the Financial Statements

Instances of Noncompliance

No matters were reported.

There were no prior year audit findings.

Material Weakness

**II-A-15: Financial Reporting
(2015-001)**

Condition and Criteria – During the audit, we identified material amounts of receivables, payables, and capital asset additions not recorded in the County's financial statements. Adjustments were subsequently made by the County to properly include these amounts in the financial statements.

Effect – The financial statements provided by management are not presented entirely in accordance with U.S. generally accepted accounting principles.

Cause – With a limited number of personnel and current staff workload, the time constraints and staff expertise do not allow for all required year end U.S. GAAP adjusting journal entries to be posted.

Recommendation – The County should implement procedures to ensure all receivables, payables, and capital asset additions are identified in the County's financial statements.

Views of Responsible Officials – We will double check these in the future to avoid missing any receivables, payables, or capital asset transactions.

PLYMOUTH COUNTY
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

Part III: Findings and Questioned Costs For Federal Awards

Instances of Non Compliance

No matters were reported.

Material Weakness

**III-A-15: Grant Administration/Schedule of Expenditures of Federal Awards
(2015-002)**

Condition and Criteria – During the audit, we identified adjustments necessary for the Schedule of Expenditures of Federal Awards. Adjustments were subsequently made by the County to properly include all amounts and information in the Schedule of Expenditures of Federal Awards.

Effect – Because of insufficient review or supervision, financial reporting is susceptible to an increased risk of errors or omission and fraud and/or misappropriations.

Cause – With a limited number of personnel and current workload, time constraints and staff expertise do not allow review.

Recommendation – The County should implement procedures to ensure all federal grants are identified and included in the County's Schedule of Expenditures of Federal Awards at the appropriate amounts.

Views of Responsible Officials – The County understands the nature of the weaknesses and will double check all grants in the future to ensure all information is properly included in the Schedule of Expenditures of Federal Awards.

PLYMOUTH COUNTY
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

Part IV: Other Findings Related to Required Statutory Reporting

- IV-A-15** Certified Budget – Disbursements for the year ended June 30, 2015 did not exceed the amounts budgeted in any function
- IV-B-15** Questionable Expenses – We noted no expenditures that we believe may constitute unlawful expenditures from public funds as defined in an Attorney General's opinion dated April 25, 1979.
- IV-C-15** Travel Expenses – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.
- IV-D-15** Business Transactions – There were no business transactions between the County and County officials and/or employees during the year ended June 30, 2015.
- IV-E-15** Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions. Township clerks are included in the blanket bond purchased by the County. Chapter 64.12 of the Code of Iowa requires that all bonds required of the township clerk be furnished and paid for by the township.

Condition and Criteria – Surety bond coverage of County officials and employees is in accordance with statutory provisions. Township clerks are included in the blanket bond purchased by the County. Chapter 64.12 of the Code of Iowa requires that all bonds required of the township clerk be furnished and paid for by the township.

Effect – The County is not in compliance with Chapter 64.12 of the Code of Iowa.

Cause - The County has paid for surety bonds for township clerks, but did not request reimbursement from each township. In accordance with Chapter 64.12 of the Code of Iowa, bonds are required to be paid for by the townships.

Recommendation – The amount of coverage should be reviewed annually to insure that the coverage is adequate for current operations. The County should seek reimbursement for the amount paid for the bond premiums for township clerks.

Views of Responsible Officials – We feel the amount each township owes is minimal and therefore, it is not worth the time it would take to figure and bill each township.

- IV-F-15** County Extension Office – The County Extension Office is operated under the authority of Chapter 176A of the Code of Iowa and serves as an agency of the State of Iowa. This fund is administered by an extension council separate and distinct from the County operations and, consequently, is not included in these financial statements. Disbursements during the year ended June 30, 2015 for the County Extension Office did not exceed the amount budgeted.
- IV-G-15** Resource Enhancement and Protection Certification – The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).
- IV-H-15** Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapter 12b and 12c of the Code of Iowa and the County's investment policy were noted.

PLYMOUTH COUNTY
Schedule of Prior Year Findings
Year Ended June 30, 2015

Part III: Findings and Questioned Costs for Federal Awards

Instances of Non Compliance

No matters were reported.

Material Weakness

III-A-14 Grant Administration/Schedule of Expenditures of Federal Awards
(2014-002)

Condition and Criteria – During the audit, we identified adjustments necessary for the Schedule of Expenditures of Federal Awards. Adjustments were subsequently made by the County to properly include all amounts and information in the Schedule of Expenditures of Federal Awards.

Effect – Because of insufficient review or supervision, financial reporting is susceptible to an increased risk of errors or omission and fraud and/or misappropriations.

Cause – With a limited number of personnel and current workload, time constraints and staff expertise do not allow review.

Recommendation – The County should implement procedures to ensure all federal grants are identified and included in the County's Schedule of Expenditures of Federal Awards at the appropriate amounts.

Views of Responsible Officials – The County understands the nature of the weaknesses and will double check all grants in the future to ensure all information is properly included in the Schedule of Expenditures of Federal Awards.

Current Status – This finding still exists.

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To the Board of Supervisors
Plymouth County, Iowa

Report on Compliance for Each Major Federal Program

We have audited Plymouth County's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Plymouth County's major federal programs for the year ended June 30, 2015. Plymouth County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Plymouth County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Plymouth County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Plymouth County's compliance.

Opinion on Each Major Federal Program

In our opinion, Plymouth County, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control over Compliance

Management of Plymouth County, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Plymouth County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Plymouth County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant

deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be a material weakness.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as Item III-A-15 (2015-002) to be a material weakness.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We identified no significant deficiencies.

Plymouth County's response on internal control over compliance findings identified in our audit is described in the schedule of findings and questioned costs. Plymouth County's response was not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

William & Lapwing P.C.

Certified Public Accountants

Le Mars, Iowa
January 20, 2016



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Supervisors
Plymouth County, Iowa

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Plymouth County, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Plymouth County's basic financial statements and have issued our report thereon dated January 20, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Plymouth County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Plymouth County's internal control. Accordingly, we do not express an opinion on the effectiveness of Plymouth County's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item II-A-15 (2015-001) to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Plymouth County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material

effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2015 are based exclusively on knowledge obtained from procedures performed during our audit of the basic financial statements of the County. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Plymouth County's Response to Findings

Plymouth County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Plymouth County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

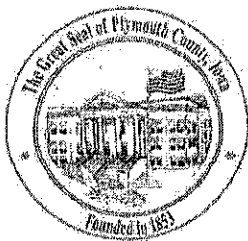
Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Plymouth County during the course of our audit. Should you have any questions concerning any of the above matters, we would be pleased to discuss them with you at your convenience.


Certified Public Accountants

Le Mars, Iowa
January 20, 2016



Plymouth County Auditor

Stacey Feldman

Plymouth County Courthouse

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Le Mars, IA 51031

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Fax: 712-546-5784

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Schedule of Findings and Questioned Costs Corrective Action Plan June 30, 2015

Department of Transportation

Plymouth County, respectfully submits the following corrective action plan for the year ended June 30, 2015.

The audit was performed by Williams & Company, P.C., P.O. Box 1010, Le Mars, Iowa, for the fiscal year ended June 30, 2015.

The finding from the June 30, 2015 Schedule of Findings and Questioned Costs is discussed below. The finding is numbered consistently with the number assigned in the schedule.

Material Weakness:

111-A-15- Grant Administration/Schedule of Expenditures of Federal Awards (2015-002)

Condition and Criteria – During the audit, we identified adjustments necessary for the Schedule of Expenditures of Federal Awards. Adjustments were subsequently made by the County to properly include all amounts and information in the Schedule of Expenditures of Federal Awards.

Effect – Because of insufficient review or supervision, financial reporting is susceptible to an increased risk of errors or omission and fraud and/or misappropriations.

Cause – With a limited number of personnel and current workload, time constraints and staff expertise do not allow review.

Recommendation – The County should implement procedures to ensure all federal grants are identified and included in the County's Schedule of Expenditures of Federal Awards at the appropriate amounts.

Views of Responsible Officials – The County understands the nature of the weaknesses and will double check all grants in the future to ensure all information is properly included in the Schedule of Expenditures of Federal Awards.

If the Department of Transportation has questions regarding this plan, please call Stacey Feldman at 712-546-6100.

Sincerely yours,

PLYMOUTH COUNTY

Stacey Feldman, Auditor